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*** Petr Cermak Discusses ODS Policy**

93CH0404A Prague LIDOVE NOVINY in Czech
16 Feb 93 p 9

[Interview with Petr Cermak, executive deputy chairman of the Civic Democratic Party, by Jiri Kubic and Istvan Leko; place and date not given: "We Are Not Striving To Reach an Agreement With the Left"]

[Text] *Petr Cermak, M.D., class of 1953. Founding member of the Civic Democratic Party. Twice elected delegate to the Czech National Council for Northern Bohemia: in 1990, as a candidate of Civic Forum, in 1992, as a candidate of the ODS [Civic Democratic Party]. After the 1992 elections, he became the federal minister of the interior. In October of that year, the ODS Congress elected him to the position of executive deputy chairman of the party. He recently surprised the public with his sharp criticism regarding the granting of a television license to the CET-21 Corporation.*

No Internal Streams

[LIDOVE NOVINY] Mr. Deputy Chairman, in recent times there have been voices saying that two streams are developing within the ODS. One allegedly represents the party leadership, together with the legislator's club within the Legislative Assembly, the other, your former federal delegates. Can you confirm this information for us?

[Cermak] I do not believe that the ODS is breaking up into two streams. In my opinion, the recent proclamation by part of the federal legislative club, which had no confrontational character, is being exaggerated. Until the time that the question of the senate is resolved definitively—which we believe should happen in March—we handle our former federal delegates as if they continued to be delegates.

[LIDOVE NOVINY] Within each great party there are usually several streams. We do not claim that these are factions, but, nevertheless, the division into a center, a left, and a right within the framework of a single party is customary. This is not the case in your party? Particularly now that the ODS has been joined by Bohdan Dvorak?

[Cermak] The ODS is a party established on the civic principle, that is to say, we do not divide our members into some kind of groupings or professional categories. Of course, there are certain deviations, but even these are within the framework of the limiting factors imposed by the election law.

[LIDOVE NOVINY] The differences of opinion of some of your members are discernible even in the press. This must, of course, also be reflected in voting within the Assembly.

[Cermak] For now, that is not the case and I am convinced that it will not be so. Of course, of the 66 delegates which we have in the Assembly, some may

occasionally vote differently. In the case of not overly important laws, we make no effort to bind our delegates somehow to the party line, but with respect to matters which concern us—for example, the transformation of federal delegates into a senate or the election of a president—we do exert maximum efforts to come to agreement within the framework of the club prior to the voting.

[LIDOVE NOVINY] Is Vaclav Klaus continuing to be the sole integrating force within the ODS or do you already have other similar personalities?

[Cermak] Vaclav Klaus is truly our principal integrating force and I hope that he will remain as such for a long time to come, but there are also other individuals here, for example, Dr. Strasky, who are capable of clarifying a given problem for other delegates.

[LIDOVE NOVINY] So that it is already not possible to speak of you as a one-man party?

[Cermak] This was a typical preelection agitation conducted against us. We are not a one-man party, the ODS proved that a long time before this slogan saw the light of day. No other political party had or has as many personalities as are represented within the ODS.

[LIDOVE NOVINY] In the event the senate is not fully staffed, what will you do with the personalities who represented you within the Federal Assembly?

[Cermak] I hope that the senate will be fully staffed. In the event it is not, we would perceive this as a great unpleasantness. The ODS would hate to lose its people from the Federal Assembly—they have their experiences and the election campaign and a whole lot of time was invested in them. It would, therefore, be good for them to remain in politics. If I were to look for the good in the bad, I would say that if these delegates are not transformed into senators, they will strengthen our political positions in the various regions for the time until it will be possible to utilize them in some kind of election. We shall do everything we can to see to it that they do not depart the political scene. But there are only a few of us. It would be better if you were to ask those parties which are opposed to transformation about this.

[LIDOVE NOVINY] Why is there so much distrust among political parties? If this were not the case, perhaps the 120 votes required to approve the transformation of federal delegates into the senate could be found more rapidly. Or is this wrong?

[Cermak] I would not say that it was wrong. Mistakes are valued poorly in politics. In my opinion, a whole series of parties in the leftist bloc, the CSSD [Czechoslovak Social Democratic Party], the LSU [Liberal Social Union], are using this method to solve their internal party problems and the delegates in the Delegate Assembly are thus pushing their former federal colleagues out of their place in the political sun. We are incapable of influencing these developments; but they do

not exist within the ODS. The ODA [Civic Democratic Alliance] has other problems—it had no one within the Federal Assembly so that it now has other reasons for opposing the transformation.

[LIDOVE NOVINY] With which opposition parties are you willing to seek agreement?

[Cermak] It is possible to strive for consensus with opposition parties in solving partial legislative matters. Certainly, this was necessary during the creation of the Constitution. But to seek some kind of broad consensus with the Social Democrats, with the LSU, or with the leftist bloc, this we are not seriously striving for.

[LIDOVE NOVINY] Can it be said that you are having problems with the ODA which are similar to the problems you have with the opposition—the ODA also being a bit of an opposition party within the framework of the coalition?

[Cermak] The ODA is attempting to be a kind of “enfant terrible” within the framework of the government coalition. Sometimes, it appears to be laughable to us; at other times, it tends to complicate our life. What is essential, however, is the fact that we almost always find a common language with the ODA when it comes to voting. The fundamental problem on which we are not capable at present of coming to agreement happens to be the question of the transformation of delegates into a senate.

Without Government Portfolio

[LIDOVE NOVINY] Just two months ago, you held the office of federal minister of the interior. All of a sudden you are “only” a parliamentary delegate and the executive deputy chairman of the party. Were you expecting to hold some kind of function in the Czech Government?

[Cermak] No, I was not. I believe that everyone who accepted a function within the federal government was aware of the fact that, in the event the federation disintegrated, he would lose his chair. Moreover, I was elected executive deputy chairman of the ODS in October. I definitely do not perceive the fact that I am not in the government as some kind of humbling experience or an expression of ingratitude.

[LIDOVE NOVINY] It is being said that Vaclav Klaus would have been happier to see the job of executive deputy chairman go to someone else than to you. Is this true?

[Cermak] Me too. The fact that I was elected was a surprise for me as well as for him. You know that the Executive Council proposed Petr Havlik for the office of executive deputy chairman; it also proposed someone else for that job. The ODS Congress somewhat changed the position of the executive deputy chairman in the party, as well as the name of the candidate. Five minutes before my name came up, I had no inkling that I would be called upon to hold this office.

[LIDOVE NOVINY] Was it not precisely at the ODS Congress that it was demonstrated that your party has several streams? The fact that the delegates to the congress decided otherwise than the original plan submitted by the Executive Council confirms this. This is not merely the matter of the office of executive deputy chairman, but also involves the fact that, for example, Miroslav Macek was not elected as another deputy chairman.

[Cermak] I believe that Mr. Havlik was accepted within the ODS as a secretary rather than as deputy chairman. In my opinion, the question as to whether someone elects someone at the congress or not is more a matter of who is and who is not elected. It definitely does not indicate any streams within the framework of the ODS. The Executive Council presented its proposals on the basis of the commitment of the candidates to everyday politics. It was, perhaps, conservative in this matter. But it certainly did not consider it as a defeat. Those who were elected to the office of deputy chairman are, in my opinion, acceptable for the entire spectrum of the ODS.

Politician-Businessmen

[LIDOVE NOVINY] Mr. Deputy Chairman, what do you think of the so-called conflict of interests? We have in mind not only the case of Miroslav Macek, but also the case of other officials from other political parties who are in business. How can these people devote their time to politics and at the same time to business?

[Cermak] I encounter this question very frequently at various meetings where people are calling for working out of a certain moral credit for those who are engaged in politics and at the same time in business. There are very many views regarding this. In essence, they boil down to two problems: One is solved by the law—I believe that some kind of law on the conflict of interests was adopted within the Czech National Council. The second problem is a moral credit. This is a matter which requires working on. It will certainly be the object of negotiations within the ODS. It must be clearly said whether it is tolerable for members of the ODS to have a delegate also engaging in business or not.

[LIDOVE NOVINY] Do you believe that the public should know which delegate and minister is also in business?

[Cermak] The public has this opportunity. Every delegate must write a declaration indicating whether he is in business. This is freely available in the Chamber of Delegates.

[LIDOVE NOVINY] Are you in business?

[Cermak] No. I must admit that during the time I have been in politics I did not earn a single koruna anywhere else.

A Problem in the Name of Northern Bohemia

[LIDOVE NOVINY] You have been a delegate for Northern Bohemia for two election periods now—a delegate for a region which is connected with a series of problems, be they ecological in nature, or whether they involve Gypsies, migrations, the demands of the Sudeten Germans, or the growing popularity of the people from the Sladkov region. What is your position on these questions?

[Cermak] For many reasons, Northern Bohemia is the most difficult election district. The reasons vary, ranging from the exchange of the population after the war, through a certain degree of industrialization, the ruthless exploitation of local natural resources, the exploitation of those regions, and the long period during which problems were not solved. The government is dealing with these matters; the current smog situation will surely provide an additional impetus for the government to adopt some kind of solution. But I would not like to narrow this question down only to the question of ecology.

[LIDOVE NOVINY] What about migrations? What about the Sudeten area?

[Cermak] Migration is always the result of utilizing territory and the routes that people have to such territory. Certainly, migration in Southern Bohemia is at a lower level than in the north. People there are more settled, they have a greater relationship with the countryside. Northern Bohemia was always an area to which a whole lot of people were commuting to jobs, in efforts to earn money quickly and to depart again. A whole lot of people actually considered this territory as a transitional region. A whole lot of people only settled there because it was the last place where they found their communities. I am fundamentally opposed to such "Romany ghettos" as exist at Chanov in the city of Most or at Janov in Litvinov. This is something which only serves to isolate problems and render their solving impossible.

As a person who was born in this region and lived all his life in this region, I do not perceive the question of the Sudeten region in any significant way. I never encountered any such problems. The ODS is clear with regard to this question; for us, 25 February 1948 is a date to be shunned.

[LIDOVE NOVINY] And you will not go beyond this date?

[Cermak] In no event.

[LIDOVE NOVINY] Not even in the matter of the Aryanization of Jewish property?

[Cermak] This is a matter which was never discussed within the framework of the ODS. If this problem were to open up, it would open up 50 other problems at the same time.

CET-21 at the Center of Interest

[LIDOVE NOVINY] In recent weeks, your name has been connected with the granting of a television license to the CET-21 Corporation. You voiced such sharp criticism of the decision by the Council for Radio and Television Broadcasting that it surely surprised not only journalists, but even your voters.

[Cermak] I agree with you. At that moment, my speech was highly emotional, but it was directed by a singular effort—to draw public attention and the attention of parliament to a problem which undoubtedly arose here.

[LIDOVE NOVINY] What kind of problem?

[Cermak] The decisionmaking by a commission regarding the granting of licenses. The granting of such a giant license for a period of 12 years to anyone is something which is outside of the current decision-making of any kind of commission. I truly perceive the method by which this decision was made as a threat to democracy because, in my view, no one should be granted the opportunity to decide something without an appeal. If I am a member of parliament and I do not have the opportunity to appeal against the decision of the commission which I also elected, this tends more to remind me of the czarist mechanism rather than of a democratic mechanism.

[LIDOVE NOVINY] We were surprised by the fact that you came out with arguments that the CET-21 Corporation has someone who is a Slovak as a member or a bankrupt politician....

[Cermak] These words were taken out of context. I understood that at the time that we are attempting to establish independent communications media—and the ODS is outstanding in these efforts—power is suddenly being vested in politicians, be they successful or unsuccessful ones. This tends to be disquieting to me as a representative of a political party. I believe that true U.S. television is purely commercial television and is fundamentally apolitical. Otherwise, it would have to fail. The names which are cropping up in the CET-21 Corporation are not apolitical. No one can convince me of the fact that these people are not pursuing political goals. I want television to be apolitical and am concerned about nothing else.

[LIDOVE NOVINY] If you did not find the method for granting a television license to be suitable, you could have drawn attention to it before the council made its decision.

[Cermak] I would say that this matter is one of those which did not receive adequate attention. We had enough problems involved with the division of the state and with the separation of the currency.

[LIDOVE NOVINY] You could have drawn a lesson from, say, Hungary, where they made a similar "mistake" in granting a television license.

[Cermak] We could have. But I say that we had to break up the state; in contrast, Szeged was not seceding from Budapest.

[LIDOVE NOVINY] You claim that your party is based on the civic principle, that is to say, that it should not be nationalistic. Consequently, your recent statement that "I am a Czech and proud of it," which you made in conjunction with the granting of the television license, at the very least surprised a lot of people.

[Cermak] I am truly proud of the fact that I am a Czech, but I would never say that I am a Czech and who is more? Every person must be proud of the fact that he is a member of some kind of nation. I would not like to see us forget the fact that we are Czechs, nevertheless, and that this part of Europe is populated only by some kind of blurred society. This is not nationalism. Nationalism runs against my grain, just as does national hype, when we stick our heads into the sand.

[LIDOVE NOVINY] But our republic is not only made up of Czechs.

[Cermak] Of course. I am also not saying that a Polish national, who lives in Prague, may not be proud of the fact that he is a Pole.

The ODS Is Putting Out Problem Fires

[LIDOVE NOVINY] In recent times, there have been so many problems that the ODS does not have sufficient time to prepare for their solutions. You are coming off more like fire fighters fighting these problems.

[Cermak] This is the result of the fact that we are a party in which, although it garnered the most votes during the election, the elections were won by a coalition. The coalition has 105 delegates in the 200-member Delegate Assembly. However, in contrast to the other coalition parties, the ODS must devote itself to all problems. Others devote themselves to one or to two matters which they have in their election program; we cannot do so. The question is whether it is even possible to manage to solve everything completely? I admit that we are inadequately prepared for some problems.

[LIDOVE NOVINY] In the 1950's, the government was saying "He who is not with us is against us." Later, it was being said that "He who is not against us is with us." Can the ODS say something similar in the present political situation?

[Cermak] We do not have a monopoly on power; we have no right to say something like that. But if we look at the election campaign in Great Britain or in the United States, the effort to defeat the opponent can be felt absolutely. Given such a campaign, it can truly be said that anyone who is not with me is against me. It is not true that some political party might not wish to acquire the maximum number of votes in an election, just as it is not true that any political party is satisfied with its election results. The ODS will do everything it can to

acquire even more votes during the next elections, but this does not mean that we would be saying to ourselves that those who did not vote for us are citizens of another class. The slogan for the ODS should be: The more people will march with us, the better.

[LIDOVE NOVINY] Do you believe that the ODS is ready to form a minority government, for example, in the event the ODA were to leave the coalition?

[Cermak] This would be a great disaster and very irresponsible. A minority government is always a government which is blocked. This land does not need such a government. To be in the government today does not mean to promote one's election program, but to be forging the foundations of the state. This must be accepted by all coalition parties. I hope that, in the end, common sense will prevail and that threats of the type that "if our demands are not met, we shall leave the coalition" are more in the form of political rhetoric.

[LIDOVE NOVINY] What will be better within the framework of democracy: to establish a minority government or to take, say, the Social Democrats into the government?

[Cermak] For the present, we are not faced with this problem. I believe that the social democratic world is in absolute opposition to our way of thinking. I do not know whether this would then only delay a government crisis. The Social Democrats are full of internal problems; this is not a party which would be prepared to join the government coalition. I believe that it is precisely there that factions and streams are palpable. Our goal is to maintain a government coalition until the next elections. Because a premature election campaign would represent yet another politically highly unfortunate status which could develop in this country. I say this in the knowledge that the ODS acquired a still greater majority in parliament as a result of premature elections, but it did so at a price of such common losses for this republic that this is simply out of the question.

*** Different Currents Appear Within Social Democracy**

*** Moderates' View**

23CH0400A Prague TELEGRAF in Czech 15 Feb 93
p 1

[Unattributed article: "J. Horak Does Not Want To Be Chairman"]

[Text] The chairman of Czechoslovak Social Democracy [CSSD], Jiri Horak, will not run again for the position of chairman of this party. He said so in response to the request of the 100-member gathering of senior CSSD members and political prisoners from every okres in the North Moravian region, who asked him to change his decision and run for that position at the February congress of the Social Democrats.

"It will be better to implement the plan according to which a strong team of personalities would be put together. Out of that team would come the future chairman of Czechoslovak Social Democracy," he said.

He mentioned that in this team the strongest position should be held by the former Federal Deputy Pavel Novak. Also his colleague from the former Federal Assembly Ivan Fisera, deputy chairmen of the party Jaromir Kuca and Moroslav Moravek, and the deputy to the Czech parliament Petra Buzkova. "I am very close to this group, which represents the moderate wing of the Social Democrats." J. Horak further emphasized that this group has great prospects of winning at the February congress in Hradec Kralove.

* Radicals' View

93CH0400B Prague TELEGRAF in Czech 15 Feb 93
p 3

[Unsigned article: "Milos Zeman on CSSD"]

[Text] If the concept endorsed by Pavel Novak and Ivan Fisera wins at the congress of Czechoslovak Social Democracy in Hradec Kralove, then according to the representative of the so-called radical current in CSSD [Czechoslovak Social Democracy], Milos Zeman, the CSSD will suffer the same fate as the Civic Forum and R. Battek's Association of Social Democrats.

"The voter will not vote for it, because he will not be able to tell it from its other sisters," said M. Zeman at a press conference in Ceske Budejovice.

As he noted further, CSSD should address those employees whose real wages declined as a result of the government's wrong policy; entrepreneurs, who succumbed to the propaganda that the victorious political party is taking care of their interests; physicians, teachers, and artists from the disintegrating public sector; and the young generation. "We want to address the working people, whether they make their living with their hands or their heads, not bankers and even less members of the new economic mafias. For that there are other parties, and nobody should confuse us with them," added M. Zeman.

P. Novak thinks that the congress will decide in favor of the concept he represents, which assumes an attempt to open a dialogue with the governing coalition, as long as it will be willing to accept some different CSSD views, for example on the way the economic transformation is being carried out.

In contrast to P. Novak, M. Zeman rejects a possible common coalition with the ODS [Civic Democratic Party]. "We shall make an effort to have as our candidates people who themselves have been affected by the government's policy," he stated in this connection.

According to M. Zeman, the victory of Novak's alternative would give a more comfortable opposition to the

government. However, M. Zeman considers an opposition that only presents proposals acceptable to the government an impotent opposition.

* Status of Council for Radio, TV Criticized

* Klaus's View

93CH0401A Prague LIDOVA DEMOKRACIE in Czech
13 Feb 93 p 1

[Interview with Czech Prime Minister Vaclav Klaus by Vladimir Kucera; place and date not given: "Some Things Should Not Be Denied the Government..."]

[Text] In recent days, a great reaction has resulted from the affair involving the granting of a license for television channel CT-2 to the CET-21 Corporation. This reaction has been vehemently joined by some officials of the ODS [Civic Democratic Party]. This was somewhat surprising because the ODS delegates supported the development of the Council for Czech Television with their votes. However, the problem does not only impact on the ODS, but also the Czech Government. We, therefore, turned to Czech Prime Minister Vaclav Klaus, who is also chairman of the ODS, and asked him a couple of questions.

[Kucera] Do you not feel that the Civic Democratic Party somewhat underestimated the entire process of privatizing the television channel and is now trying to catch up with the departing train? And it is doing so somewhat awkwardly that....

[Klaus] To a certain extent, I agree with that. I would not say that the ODS is to blame. One statement by one of the ODS officials is being blown out of proportion. For me, all of this was decided long ago and that is why I have not become so agitated by this one-time matter. I had already protested more than six months ago against the creation of a so-called independent council for television and radio broadcasting, or against the development of an independent "ministry" which is separated from any kind of state administration and which functions in and of itself. In my view, this is a totally illogical matter. While all other state administrators sit together in the government, are mutually enriching of each other, counsel each other, are living together, one quasi-ministry has gotten completely outside of the process and calls itself the Council for Television and Radio Broadcasting. For example, although one minister handles agricultural policy, the policy of privatization, the policy of security, every one of his documents is discussed within the government and 18 remaining colleagues have a markup process involving it. The council is an independent institution which is not controlled by anyone in a similar way. Perhaps only at yearly intervals by the Delegate Assembly. In my opinion, this is a global, general error. This "ministry" is not experiencing an intergovernmental mutually enriching process. I must admit that even delegates of the ODS voted for this nonsense system. I disagreed from the very beginning.

[Kucera] This viewpoint of yours is easily assaultable. To the extent to which the council became a ministry without quotation marks and was dependent upon the government, it could privatize a television channel in the interest of the government. A sort of "government" television would come into being, although it would apparently be privatized.

[Klaus] I ask you, what is "in the interest of the government"? After all, we are in a transformational period between communism and a normal social system. The government is conducting transformation in thousands of areas of social life. I fail to understand why the transformation of state communications media should be something different from the transformation of giant industrial establishments such as, say, the Poldi Foundries at Kladno or the Skoda Plant at Plzen. It could then be said that even the privatization of those enterprises is being accomplished by the government with government interest and not in the interest of society. After all, the government is supposed to represent the interests of society as a whole and if it does so poorly, let it be criticized for it. This does not mean, however, that some things should be denied it.

* LIDOVE NOVINY View

93CH0401B Prague LIDOVE NOVINY in Czech
13 Feb 93 p 3

[Commentary by Martin Weiss: "The Hole of Independence"]

[Text] At the mention of the name CET-21, some wring their hands in the lobbies and others gnash their teeth. In public, however, it has rapidly become a matter of honor not to have any view regarding the decision made by the council. The unvarnished statements of the deputy chairman of the ODS [Civic Democratic Party], Cermak, have thoroughly frosted all possible discussion. The Thursday [11 February] hearing before the parliamentary Commission for Communications Media unfortunately confirmed that no discussion would be possible anyway, based directly on the law. This was taken care of by a mighty wave of legislative enthusiasm for independence which caught up with the previous Czech National Council.

The notion in creating independent councils is approximately as follows: In order for the power of their members to have a legitimate foundation, but so that they would not be exposed to power and populist pressures, they are elected indirectly and it is not simple to recall them. Their position is somewhere between delegates and judges. However, our councils carry out considerably different work than the courts—the granting of an across-the-board television license was more like cost-free privatization of public property which carries with it considerable political power. Such decisions belong in the sphere of politics and should be subject to public control. However, our council is responsible to parliament only on paper.

The law makes it possible for the council to defend itself by a method which, in Anglo-Saxon law tradition, is called "pleading in the alternative": The thief of a vase defends himself by saying that (a) he did not steal the vase, (b) he has already returned it, and (c) it did not belong to the victim of the theft anyway. The same is true of members of the council: Why did they make a decision without taking into account the positions of the ministries? Because (a) the ministries failed to deliver these positions to it, (b) they knew what they knew about the applicants even without the ministry, and (c) the law does not require them anyway to request a position from the ministry. And that is how it goes around and around.

It is no wonder that the delegates of the ODA [Civic Democratic Alliance] were shaking their heads during the parliamentary hearings over how someone could ask such stupid questions. Those few brief conditions which the law imposes on decisions by the council are contained in the formulation that the "council exerts oversight"—which is not binding in any way. As stressed by Chairman Korte, the decision depends "exclusively and only on our judgment." Parliament can recall the council practically only if it repeatedly fails to approve the report on the activities submitted by the council. The aura of martyrdom, which the council is now spreading about itself, is somewhat out of place.

Such conditions logically facilitate absolute arbitrariness. Example: The council required the CET-21 Corporation to employ only people with negative lustration certificates in leading television jobs. The lustration law, every word of which was the subject of a merciless trench war in parliament, has thus been amended by a short process by the council. Which one of the ministers can afford this?

Of course, the government behaved in a stepmotherly fashion with respect to the legal requirements of the council. It should not have done so, but it only goes to confirm that without a thorough discussion a law was adopted which has remained like a foreign body in our political system. The law created a gap between total control and total independence. The concept of television broadcasting was thus forced out into that region of politics in which allies and enemies communicate with each other by the ringing of hands and the gnashing of teeth.

* Controversy Over Granting of TV License

93CH0368A Paris LE MONDE in French 6 Feb 93
p 18

[Article by Martin Plichta: "Czech Television Station License Goes to Contenders Backed by U.S. Capital"]

[Text] The Audiovisual Council of the Czech Republic decided during the weekend of 30-31 January to award the 12-year broadcasting license of the former federal television station to a private Czech-Canadian-U.S. company, CET 21 (Central European Television for the 21st century). The decision, announced after considering

26 applicants, was challenged by the Civic Democratic Party (ODS) of Prime Minister Vaclav Klaus....

Prague—The Czech Audiovisual Council surprised observers by awarding the license for the country's first private commercial television station to an unknown company which up to that time had been very circumspect about its intentions. But competition was fierce for control of the republic's most modern station, which covers the entire country (see LE MONDE-RADIO TELEVISION for 13-14 December 1992).

The other foreign companies in the takeover competition—Canal Plus, CLT (Luxembourg), Berlusconi group (Italy), Bertelsmann group (Germany), and Warner (United States)—came away empty-handed, notwithstanding their experience and resources; so did the Czech "dark horses," some of whom had been developing their television plans since the days of the "velvet revolution."

The Czech-Canadian-US company CET 21, which took the prize and is expected to begin broadcasting within a year at the latest, is capitalized at \$20 million—more than any other applicant. It is financed 70 percent by a Canadian-U.S. company, the Central European Development Corporation [CEDC], headquartered in Berlin, and 30 percent by the Czech Savings Bank. CEDC is headed by a former political adviser to Ronald Reagan, Mr. Mark Palmer, who was the U.S. ambassador to Hungary in the late 1980's.

According to Mr. Palmer, who prides himself on being a friend of Mr. George Soros—the Hungarian-born U.S. multimillionaire who is founder and patron of a central European university with campuses in Prague and Budapest and branches throughout eastern Europe—acquisition of the Czech station represents the first "link in a chain of television stations" in the "former East bloc." Its broadcasting and production costs are to be covered by advertising and "sponsorship." Mr. Palmer also promised to respect the twenty or so license conditions (advertising rates, domestic programs, news and regional interest programs, etc.) imposed by the Council.

CET 21's board of directors will be made up of Czechs, including several well-known local sociologists. The idea man behind the venture is Mr. Vladimir Zelezny, who was the last spokesman for the previous Czech prime minister and for Civic Forum before its dissolution in 1991. On the board with him is Mr. Fedor Gal, former director of Public Against Violence [VPN], the Slovak counterpart of Forum, a dedicated opponent of the head of the Slovak Government who sought asylum in Prague more than a year ago.

"Golden Pulpit"

The ODS opposes the decision. In its view, the Audiovisual Council acted "with excessive haste" in awarding the license, since three of the nine members of the Council have not yet been appointed by parliament. Mr. Klaus's party is also worried that CET 21's Czech directors "may politicize television" and "give the

impression of an anti-Slovak, anti-Hungarian bias." The president of the Council, Mr. Daniel Korte, nevertheless rejected the idea of reconsidering the Council's unanimous vote "unless the law is modified."

In any event, in circles close to the ODS the mood is clearly sour, and no one denies there is a strong desire to see the decision altered at all costs. Conservatives fear that the presence on CET 21's board of directors of personalities with ties to the Civic Movement of former Foreign Minister Jiri Dienstbier (who was dropped from the government after his defeat last June) will allow "politicians repudiated by the voters" to "sneak in again through the back door" using their access to a "golden pulpit" in the months leading up to the spring 1994 municipal and senatorial elections.

* Projected Strength of Czech Army Given

93CH0417B Prague REPORT in Czech 3 Jan 93 p 3

[Article by -R-: "How Strong Will You Be?"]

[Text]

—As of 1 January 1993 the Army, the Air Force and the AD [Air Defense] will form the organizational structure of the ACR [Czech Republic Army]. Further components of the Army will be units designated to ensure the defense and protection of the territory, made up mainly of the military rescue units of the Civil Defense, Railroad Troops, and units that guard installations of major significance. There will be a total of 106,447 members of the ACR.

—The number of individuals in the Army, its types of troops and services, including command agencies, operations and support units, repair, research, construction, and supply facilities, and military schools will be 69,488.

—The Army will be made up of two tank divisions with reduced numbers, two mechanized divisions, one mechanized division with reduced numbers, one missile regiment, two artillery brigades, four engineering brigades, two chemical defense brigades, one liaison brigade, two technical support brigades, two material support brigades, and two medical brigades.

—The armaments and equipment of the Army will include 543 T-72 tanks, 414 T-54 and T-55 tanks, 954 BVP-1 and BVP-2, 413 OT-90. The artillery division will have 767 guns; these include 524 howitzers and cannons, 93 mortars, 150 rocket launchers, 477 antitank missile systems (PTRS) [Antitank Guided Missile], and three kinds of surface and antisurface guided missiles, their total number being 17.

—Serving in the Air Force and the Air Defence [AD] will be 36,959 persons. It will be made up of one combined air corps, two AD divisions, one flight training regiment, and one air transport regiment.

—The armaments and equipment of the Air Force and AD will include 80 MiG-21, MiG-23, and MiG-29

fighter planes. There will be 72 MiG-21, MiG-23, and Su-22 fighter bombers at its disposal. Furthermore, it will have 25 Su-25 fighter planes, and 24 MiG-21 and Su-22 reconnaissance planes. There will be 26 MiG-21 planes in the training facilities. The transport Air Force will be made up of 32 Tu-154, Tu-134, An-12, An-24, An-26, An-30, and L-410 transport planes. The Air Force and AD will also have 76 L-29 and L-39 training planes and 122 Mi-24, Mi-2, Mi-8, and Mi-17 helicopters.

* Finance Ministry Official on Budget Process

93CH0394C Prague HOSPODARSKE NOVINY in Czech 9 Feb 93 pp 1, 3

[Interview with Miroslav Havel, Ministry of Finance official, by Marcela Doleckova; place and date not given: "How Is the Budget Faring? For the Time Being, This State Has No Intention of Stimulating Investments"]

[Text] *Despite the fact that it is just the beginning of the year, various pictures already exist which intend to impact on the budget. That is why we requested an interview with Finance Ministry official Miroslav Havel.*

[Doleckova] One of the first objections with respect to the budget is its size. When the budget was being put together, were you starting from the point of view of necessary expenditures or did you derive possible expenditures from possible revenues.

[Havel] A balanced budget is undoubtedly not a goal of the budget, but it is only one of the prerequisites in order for the budget not to become an inflationary impulse. So that we evaluated expenditures in conjunction with taxes and with a view toward the fact that we were going to have tax reform.

[Doleckova] Last year, the share of the gross domestic product, which is redistributed through the budget, amounted to 49.5 percent. Now that the government is consistently claiming that the goal is to restrict redistribution, this component for this year is only negligibly lower, it amounts to 49.1 percent.

[Havel] The year 1993 is specific in terms of methods precisely on account of a complex of changes which are occurring. I am personally convinced that over the years this component will decline, but the pace of decline is something I do not dare estimate. In short, the state here continues to fulfill a whole lot of social functions so that, even through this form—through the budget—we are contributing toward the maintenance of social calm.

[Doleckova] Do you think that in the face of the obvious initiation of a wave of bankruptcies the state budget could tolerate possibly supporting some investments?

[Havel] I believe that if the budget did so to a greater extent, this would clearly occur at the expense of deficit financing or the investments would have to be covered by bonds which, in the final analysis, also represents an

imbalance in the budget. I do not believe that the situation has ripened so far this year.

[Doleckova] In submitting the budget, the government identified certain goals: a 1- to 3-percent increase in the GDP, inflation at 15 to 17 percent, unemployment on an average of 4 to 5 percent. Do you not think that, following the developments of January, the government should revise these goals?

[Havel] I see no reason to do so. All of us are a bit the prisoners of the shock which occurred at the beginning of the year. But if I recall the situation at the beginning of 1991, prices jumped after price liberalization, but over the following months they became stabilized quite rapidly. Even though the present situation is not completely comparable, I do not believe that last January's developments should compel a revision of the state budget. On the contrary—we will endeavor to find the best fulfillment for this budget.

[Doleckova] How was the state budget developed over the first few weeks?

[Havel] The January deficit peaked in midmonth at approximately 12 billion korunas [Kcs], but since that time it has been declining, and by 1 February it only amounted to about Kcs1.5 billion. And revenue based on the value-added tax will not come in until after 15 February so that this is not a catastrophic development at all. Even though it is necessary to admit that the taxes which are still coming in from 1992 deserve credit for the relatively decent course of events.

[Doleckova] The increase in revenues to the state budget this year is expected to amount to 13.4 percent, in other words, not quite Kcs50 billion. Budgetary expenditures are to increase by 11.6 percent (Kcs43.6 billion), but 86 percent of this increase in expenditures is to go to the population. For what purposes?

[Havel] Primarily as transfers to the population in the form of social security payments, state equalization contributions, or in the form of employment policy. And then there is still the public consumption factor by the population, such as expenditures for health care services, education, culture, etc.

[Doleckova] I understand that financial difficulties experienced by the health care industry could have been caused at the beginning of the year by the fact that a system of health insurance was being initiated. Only in education there is no such thing and still very warning voices are heard from that direction regarding the shortage of finances.

[Havel] Noncapital expenditures in the education sector are expected to rise by 34.4 percent in 1992, in comparison with the anticipated actual situation. If we deduct new expenditures for insurance from this amount (even budgetary organizations are paying insurance as a new item), then the dynamics represent 112.7 percent.

[Doleckova] Of course, if inflation is expected to run between 15 and 17 percent, then an increase of around 13 percent is not so shattering.

[Havel] We were unable to fully cover anticipated inflation in any department from the budget. Not only education, but also other areas can expect less from the budget this year than the anticipated inflationary pace. It is necessary to simply come to terms with the fact that the budget cannot tolerate a greater "span." For example, we worked out a version calling for a 16-percent growth in wages and immediately discovered a deficit in the budget of Kcs4 billion. That is why the government opted for the variation which the delegates finally approved.

[Doleckova] Finally, the category entitled "expenditures for property losses of monetary institutions" has disappeared—in other words, the amount which the state budget used to get back at those monetary institutions which were making loans at noncommercially low interest rates. I speak, for example, of loans to newlyweds. Does this mean that the state is giving up paying support in this direction?

[Havel] Expenditures for property losses experienced by monetary institutions will be compensated for from the National Property Fund, but, again, balancing the difference between the loan made and the discount rate is expected.

[Doleckova] Do you believe that, say, the Czech Savings Institution will be satisfied with settling interest differences only up to the discount rate?

[Havel] I am not a judge, even though I admit that the savings institution is sending certain signals of dissatisfaction.

[Doleckova] Do you believe that the National Property Fund will have sufficient financial resources for this?

[Havel] If it will not have sufficient money, it will issue bonds and someone will buy them and the National Property Fund will be immediately able to provide funds to the appropriate monetary institution. This has actually been agreed upon, for example, even with the banks in cases where the bank supports business activities—this will also pass through the National Property Fund.

[Doleckova] In the new taxation system, small businessmen, in contrast to advantaged positions they enjoyed last year—are placed on a level equal with large enterprises. Do you believe that the time has already come here for all business entities to be subjected to the same conditions? Is the contribution made by small business to the state budget so large that the budget would go into debt without it? And, on the other hand, indebtedness or possible bankruptcies tend to threaten small business operators.

[Havel] It is true that particularly small businessmen have the feeling that conditions have gotten specifically worse for them. They feel discriminated against today

because they have found themselves in the same situation as others. The current weight of taxes from the small business sphere is actually not so decisive, but the fact is that we would again be creating uneven conditions.

[Doleckova] But the question was whether the time is right for new conditions?

[Havel] Simply, 1993 was designed in the budget in the knowledge that conditions from the standpoint of rates should be essentially equal. The answer is relatively complicated and I do not dare claim that, at this moment, we should resort to more generous support for the small business sector.

* 'Realistic' 1993 Czech Economic Forecast

93CH0394A Prague HOSPODARSKE NOVINY in Czech 9 Feb 93 p 17

[Article by Cestmir Kozusnik: "A Forecast Without Optimistic Coloration—The Czech Economy in 1993"]

[Text] *Forecasts of economic development for the Czech Republic for this year are, for the most part, optimistic. They judge that the decline of the economy has already been halted and that the gross domestic product this year will grow from 1 to 4 percent. Such developments are being predicted by the government, by the Czech National Bank, but also by some "private" institutions and individuals (for example, the Economics Institute of the Czech Academy of Sciences and the Economics Institute of the Czech National Bank). Such developments would surely be welcomed by everyone. However, I am afraid that this optimism is not adequately justified.*

The optimistic forecasts are clearly based on developments in the economy last year. Although we do not have data for the entire year at our disposal at this time. However, there are indications that developments during recent months tell even more about the trends which it was possible to discern during previous months. The fact is that real decline in production was halted approximately during the final quarter of 1991. During that quarter, overall supply, which had significantly exceeded demand as a result of the cost and price shock at the beginning of 1991 and as a consequence of the relatively tough restriction of aggregate demand in the first half of 1991, adapted to the demand.

In 1992, overall production no longer declined and it was even possible to discern certain indications of production revival. Whereas the volume of the GDP in constant prices during the fourth quarter of 1991 amounted to not quite 75 percent of the volume of the GDP in the same quarter of 1990, the first quarter of 1992 saw a GDP volume of 79 percent of the GDP volume which existed in 1990 for the comparable period. Analogous data for industrial production were 62 percent for the fourth quarter of 1991 and 68 percent of the 1990 level for the first quarter of 1992. With respect to construction output, we were even able to record some growth over 1991—by 9 percent in the second quarter and by 28

percent in the third quarter. Similarly, freight loadings were 11 percent higher for the second quarter and 22 percent higher for the third quarter than they were in the comparable period of 1991.

These data quite naturally result in the optimistic view that the worst is already behind us and that we have entered the phase of gradual economic upswing. But if we look beneath the surface of developments and if we ask what made this relatively favorable development in the economy possible last year, the reasons for optimism begin to disappear.

Reduced Demand

The first doubts are caused by an analysis of the expense or demand side of the GDP balance. Of four expense aggregates in the balance of the GDP, that is to say, private consumption, public consumption, creation of capital, and net exports, only the expenditures for private consumption stimulated the real growth in the GDP. Only private consumption rose in 1992 in comparison with 1991 in current prices more rapidly than the price index; realistically, this growth rate was approximately 8 to 10 percent. Realistically expressed, public consumption was lower by some 2 to 4 percent.

The formation of gross capital declined very strongly—by an estimate of 30 to 35 percent—in comparison with 1991. For the most part, this is a positive phenomenon because it was brought about mainly by an express change in the development of inventories, the level of which in comparison to output in our economy is three to four times higher in comparison with countries having a developed market economy. The increase in supplies in 1991 gave way to a decline in inventories in 1992. In the CSFR, investments in 1992 remained approximately at the level of 1991. However, they were developing in different ways in the Czech Republic and in the Slovak Republic. In the Slovak Republic, these investments experienced a relatively significant growth (by 17.4 percent for three quarters) and acted as a stimulant in the growth of the real GDP. In the Czech Republic, on the other hand, these investments declined by 6.9 percent for the same period.

The year 1992 also saw a decline in the contribution made by external relationships to the creation of the GDP. Exports were somewhat lower in comparison with 1991 and a particular decline occurred in the positive balance of exports and imports of goods and services. Even in this case, however, the developments, particularly the development of foreign trade relationships, were relatively more favorable in Slovakia than was the case in the Czech lands. For the period January through October, exports in the Czech Republic declined by 3.4 percent and imports rose by 12.4 percent; in the Slovak Republic, on the other hand, exports grew by 2 percent and imports declined by 8.3 percent.

Passive Adaptation of Supply

A second fact which gnaws away at official optimism is the character of the course of adaptation of supply to decreased demand. Passive adaptation of the volume of production to decreased demand prevailed, accompanied by the simultaneous decline in internal efficiency, that is to say, the ratio between production inputs and production outputs and a deterioration of the financial situation pertaining to supply entities. Production declined more than employment, productivity dropped, the utilization of production capacities declined. Given the sharp decrease in demand at the beginning of 1991, supply reacted by creating inventories which were financed by the enterprises by an increase in mutual indebtedness, given the shortage of their own financial resources and as a result of the credit restrictions.

The volume of overdue debt at the end of 1991 amounted to approximately 30 percent of total credit granted to economic organizations and insolvency impacted on virtually four out of five enterprises. Specific deterioration of the indicators of internal efficiency and the growth of insolvency occurred primarily in 1991. In 1992, there is every indication that further specific declines in internal efficiency and deterioration in the financial situation of enterprises no longer occurred. However, the solution of these problems was being deferred.

The cleansing bath in the image of a radical upward swing of the very low internal efficiency, which was very low even prior to the reform, and in the image of the elimination of inefficient and unadaptable links in the supply chain still awaits us. And it will be connected with bankruptcies of many enterprises, with the loss of employment for hundreds of thousands of individuals, with the growth of social tension, and in its cumulative effect could exert an unfavorable influence upon the development of the real GDP. However, only by going through this therapeutic bath can the entities of the microsphere become definitively purged of their stereotypes in thought and conduct which were cultivated by the previous system, create conditions and release resources required to jumpstart long-term processes of high quality and structural adaptation for supply-side parameters with respect to the world market. Without a doubt, deferring the solution of problems involved in internal efficiency and insolvency was among the reasons for a relatively favorable economic development in 1992 and made a particular contribution toward lowering unemployment.

In order to avoid one-sidedness regarding the view of the existing course of adaptation of the supply side, it is fitting to recall even some bright points within this process. They include the fact that it was possible to successfully replace an overwhelming portion of the losses of sales to former CEMA countries through exports to other countries with developed market economies. A positive point in the development for 1992 is the already previously mentioned decline in inventories

and the resulting moderate decline in insolvencies. And it is also not possible to overlook the influence of the nascent private sector upon the flexibility and variety of offerings, particularly in the sphere of trade and services.

The Weight of Growth Stimuli

What can be deduced from this analysis of the reasons for a relatively favorable development in the economy last year which has applications for this year? As we have seen, the growth in the real GDP in the Czech Republic was stimulated only by expenditures for private consumption. The inflationary expectations, brought about by the announced price increases in conjunction with the tax reform as of 1 January 1993, accelerated the growth of these expenditures in recent months still further. It is very likely that the immediate reaction to price increases which occurred at the beginning of this year will be a real decline in the volume of expenditures for private consumption. The development of such expenditures during the rest of the year will depend, on the one hand, how specifically and intensively the solution of problems of internal efficiency and insolvency is approached and, on the other hand, on the extent and scope of the exchange of securities acquired as a result of coupon privatization for cash and the extent to which the cash will enter the market in the form of effective demand.

Solving the problem of internal efficiency and insolvency will, without a doubt, suppress the growth of overall wage receipts. It is likely that increments in this principal resource component behind private expenditures will strongly lag behind the growth of prices. Increases in social income will be hampered by restricted resources at the disposal of the state budget and the social security fund. The development of other income is difficult to estimate. Income based on private business activities is looking like it might experience a particularly sharp growth, based on its existing extremely high dynamics, and this year such incomes could be heavily influenced by transforming stock certificates into cash. If we disregard the influence of transforming stock certificates into cash, it is possible to expect that the previously mentioned stimulating influence exerted by the growth of private expenditures on the development of the real GDP in this year, in comparison with last year, would weaken considerably and that, particularly in the first half, private expenditures will have a retarding effect.

We may consider it to be a certainty that the growth of public expenditures will lag behind the growth of the price level, as it did in the previous two years, and that the realistic volume of public expenditures will decline even this year. These expenditures will also be pressed downward by government efforts to maintain a balanced state budget.

However, even if private and public expenditures were to rise, they could stimulate the realistic growth of the GDP in the short term only in the presence of unutilized capacities and if their structure, with a view to the possibilities of transforming products through the

medium of foreign exchange, were to reflect the structure of demand. And they could influence the GDP in the long term provided their growth is accompanied by a growth in investments aimed at broadening and structurally and qualitatively adapting the supply capacities. In the longer run, the decisive influence upon the development of the real GDP is, thus, exerted by development of investments. That is why only the growth in investment activity can be considered as an indication of the actual "rebound from the bottom," the transition to the upswing phase of development.

Investment Resources

Realistic investment expenditures in 1991 and 1992 in the Czech Republic were declining. Can we expect that things will change this year? Hopes for change are generally vested in privatization. The latter will make substantial progress this year. However, privatization in and of itself will not provide enterprises with new resources for investment. Moreover, when state property is sold to domestic interests, it will, for the most part, tend to burden the new owners with debt. Only sales to capital strong entities can result in the provision of adequate investment resources. In our situation, these can, generally, only be foreign entities. Direct foreign investments last year, in comparison with 1991, grew considerably. They will clearly increase more this year. They will undoubtedly be a stimulus to investment activity. However, domestic investments will continue to encounter shortages of financial resources this year, as well as inadequacies involving efficient investment projects.

The price increases at the beginning of the year, made in conjunction with the tax reform, price increases which exceeded expectations, and the lifting of wage regulations accompanied by a lowering of the tax burden and, overall, a greater danger of inflationary developments in comparison with last year, will compel monetary policy to be careful and tend to resort to restrictive measures. The foreshadowing of this policy has already resulted in the State Bank increasing its discount rate. Furthermore, it can be anticipated that under conditions of the acute financial situation in the enterprise sphere, which was brought about by mutual indebtedness among enterprises, a very careful and restrained approach will prevail among banks with respect to granting long-term investment credits.

The creation of domestic investment resources and their allocation will be decisively conditioned by internal savings in the enterprise sphere, in other words, by an increase in internal efficiency, and by solving of the insolvency problem. It is clear that the solution of these problems cannot be deferred across the board this year. However, it would be an illusion to judge that once a solution is found that it will be a radical solution which would bring quick results. Radicality will be hampered by social considerations. It will, thus, more likely be a gentle solution which will bear fruit only gradually and over time, both with respect to releasing financial

resources for investments and also in terms of offerings made by promising investment projects. Let us not forget that a large portion of the state enterprises will be experiencing preprivatization uncertainties even this year and that the motivational impulses of the first wave of privatization cannot realistically manifest themselves until the second half of the year. Therefore, it is very unlikely that any more significant expansion of investment activity and growth in capital expenditures would occur during this year.

A New Situation in External Relationships

The last component of the expenditure side of the GDP balance involves external relationships. The outlook for this year is in no way rosy even here. Not only because there are predictions of low prosperity times in countries having a developed market economy and predictions that the economic failure of our one-time largest trading partner, the Commonwealth of Independent States, is expected to continue, but mainly because a qualitatively new situation has been brought about by the breakup of the federation.

Trade with Slovakia, which was formerly domestic trade, is becoming foreign trade. Three circumstances can exert a particularly deleterious influence upon its development. First, a negative balance of trade involving the Czech Republic which, together with the negative balance of trade with regard to other countries, will compel the Slovak side to restrict imports. Second, this can be the poor experiences of Czech as well as Slovak enterprises involving uncollectible claims abroad, which can act to restrict the mutual exchange of goods by imposing conditions of assured payment. And third, this can be a shortsighted effort on the part of enterprises to adapt prices in mutual trade to prices achieved in trade transactions with third countries which, for the most part, would lead to price increases for mutual deliveries and, thus, would weaken their competitiveness.

Striding Along the Bottom

Therefore, if we consider the likely development of basic demand components in the GDP balance, the forecast of the GDP development for this year clearly loses its optimistic coloration, which was derived from the relatively favorable developments in the economy last year. The economic situation this year will, in many respects, be different from last year. It seems that this year could be, at least during the first half, a modified reprieve of 1991 when the lagging aggregate domestic demand, following the rise in prices, together with declining foreign demand, will exacerbate the sales difficulties experienced by supply entities.

Developments in the second half of the year will be conditioned particularly by the methods and radical nature of the solutions found for insolvency and by the intensity of the pressure exerted upon internal efficiency by developments of economic relationships involving the Slovak Republic, and by the extent to which stock

certificates acquired under coupon privatization will be transformed into effective demand. The development of these factors, and particularly their quantitative impact upon the formation of the GDP, are very difficult to predict. In view of these uncertainties, the forecast of a mild growth in the GDP for this year is as much justified as the forecast of its further moderate decline.

Perhaps it is possible to agree with the graphic contention that, by the end of 1991, we had hit the bottom of the economic decline. However, the contention that we have bounced back from the bottom and have begun an upswing is in dispute. What is closer to the truth perhaps is the finding that we were striding along the bottom last year and are continuing to do so. And there is no guarantee that this bottom is level and that some other pitfall awaits us before bouncing back.

* Government To Prevent Chain Bankruptcies

93CH0357A Prague ZEMEDLSKE NOVINY in
Czech 29 Jan 93 p 6

[Interview with Karel Dyba, minister for economic policy and development, by Dagmar Siskova; place and date not given: "We Cannot Allow a Wave of Bankruptcies"]

[Text] For the time being, bankruptcies have been put off, but this is just for the time being. They will appear on the scene again in April, however, and this time it will be definite. We asked the minister for economic policies and development, Karel Dyba, about the details of how they will be carried out.

[Siskova] Mr. Minister, do you plan on the possibility of the government providing the banks with financial resources, under certain strictly established conditions, with which they could cover the losses from the chain of bankruptcies?

[Dyba] The main thing is that the government is preparing an update of the law on failures and the settling of accounts in a way to avoid just this danger of a chain reaction of bankruptcies. In principle, it is a matter of having the bankruptcies, which are an essential part of the market economy and which do not mean only the end of something but also the beginning of something, be spread out in time and their consequences distributed "fairly" among all of the participants affected by the bankruptcy—debtors, creditors, employees, managers, and so forth.

It follows from this that a general solution must respect the principles cited above and that all participants in this process bear certain losses from the bankruptcy. One thus should not expect that the potential losses of the banks, which are the main creditors, would be fully compensated. We would be happy if the banks themselves also created a certain insurance institution of their own type that could contribute to covering the losses the commercial banks might suffer from the bankruptcy of their debtors.

[Sistkova] From my interview with the representative of the Commerce Bank, it came out that there is also consideration of concentrating certain financial resources in a Consolidation Bank, which would be able to repurchase outstanding debts of the trade banks at a suitable price. What is the government's view of this approach?

[Dyba] I do not think it is possible today to say definitely what the government's position is. We must first discuss this question thoroughly, and then some certain conclusions can be made. The Consolidation Bank can also play the role of an insurance institution of its own type.

[Sistkova] The consequences of bankruptcies have many times been magnified, and there is talk of great unemployment. Is it possible to realistically estimate the growth in unemployment in connection with the onset of bankruptcies?

[Dyba] It is very difficult to make a quantitative estimate of the growth in unemployment, but we have to plan on it this year in connection with privatization and the subsequent rationalization and also as a consequence of the fact that the compact law on bankruptcies is coming into effect. I again repeat that it is not possible to allow a wave of bankruptcies that would, in their wake, threaten the banking sector, as well, and the government is therefore preparing a suitable updating of the law on bankruptcies. Otherwise, as you know, in the budget message of this year, there was for the first time consideration of a level of unemployment in the Czech lands of about 5-6 percent for the year.

[Sistkova] In conclusion, one more query, which mainly concerns our entrepreneurs. What is the current situation with the update of the law on the Chamber of Commerce? According to our information, it is not in the CNR [Czech National Council], despite the fact that back in November your ministry had it ready.

[Dyba] The update of the law on the Chamber of Commerce is stated to be debated by the National Commerce Committee on Wednesday, 20 January. The Commerce Committee, by a large majority of its votes, supported the alternative with nonmandatory membership in the Chamber and, on this point, supported the government's proposal.

In the discussions, the existing law was characterized as actually inconsistent and problematic in its conception, and one can expect that an initiative will be developed by the deputies in order for the law to be reworked totally from the conceptual standpoint.

* Economic Reform, Bankruptcies Discussed

93CH0357D Prague EKONOM in Czech 21-27 Jan 93
pp 22-23

[Article by Vladimir Siba: "Toward Economic Reform"]

[Text] The official evaluation of the course of economic reform to date is unambiguously positive. A simple majority of the votes of foreign evaluators who are comparing the progress of the economic transformation in this country with the transformations in the other postsocialist countries is also favorable. There are also, however, indisputably critical voices in the spectrum of opinions about the transformation of the economy. One of them is heard here in this contribution by Eng. Vladimir Siba, who has worked for many years in economic research. If it stimulates discussion, we will return to it in this column.

Our projections for the future are worrying the economists. They feel it their duty to share these worries with the public, all the more because it appears that the government is not worrying about this.

One must state that, according to the facts, the economic reform carried out over the past two years, in accordance with the models of monetarism and the neoclassical theory of capitalism, did not achieve any brilliant results in this country. Some institutions that are essential for a market economy were established, the appropriate legal standards were approved (sometimes too hurriedly and not without error), and some changes in ownership relationships were carried out, but far from perfectly.

It is obvious that privatization is one of the main links in the transformation of the economy and that it should ensure the ownership of appropriate owners who are interested in the prosperity of an enterprise with a real opportunity to affect that prosperity in a positive way. Privatization can help toward the prosperity of the enterprise when, and only when, it has these prerequisites. For now, however, the prevailing coupon privatization does not have these prerequisites in this country. The owners will predominantly be investment funds that, as a rule, do not have what it takes to run the enterprise with expert knowledge in the specific area of operations, and most will try to sell the shares they got from the citizens as a gift to other capital holders, as a rule foreign ones. To a lesser degree, the owners of enterprises will be individual citizens (the so-called DIK [holders of investment coupons]), of which there are a lot and who individually have a totally insignificant share in the enterprise's capital and thus have a position that cannot influence the enterprise from an economic standpoint.

So Far, the Reform Has Not Begun

A real transformation of the economy has to date actually not yet begun. There has so far not begun the qualitative change in the economy in the direction of increasing its effectiveness or the change in the economic structure, meaning getting rid of noneffective production and growth in effective production and activities. Living on debts from future generations has not only not begun to be reduced but, on the contrary, is intensifying. Investments are not being made in the production base, which is falling more behind technically; the natural

riches and the environment are being destroyed more and more; and there is no money for improving the quality of education and health or for the development of science.

The moral state of society not only is not starting to improve, but also is getting significantly worse. The governing ideologues are ignoring and underrating ethical and cultural principles. Under the slogan put out from the highest offices that any money acquired is always good and that there is no dirty money in existence, the unofficial economy has been de facto legalized. Servility and fear of powerful people are continuing to run wild; moreover, there is significant new corruption and crime.

The government policy is striving for a return to a classic rapacious and ruthless capitalism of the 19th-century type (which was at a time, however, in the premonopolistic period, when free competition could still operate), while everywhere in Europe there exists actual capitalism moderated by the results of historical social development and taking social and human needs into consideration. A doctrine based solely on the rational effectiveness of the unseen hand of the market, without a moral social function for the state and without its specific structural economic policy, will not prove itself in practice but, on the contrary, will demonstrate its inadequacy.

The Devastation of the Entrepreneurial Sphere

The prosperity of the national economy cannot be based on the breakup of the entrepreneurial sphere, a considerable portion of which is in crisis. A majority of the enterprises, and not only the ineffective ones, are in bankruptcy. Many enterprises are not paying their suppliers and are not paying off their debts, so that the volume of mutual indebtedness and debts to banks and the extent of the inability of the enterprises to make payments are growing. The decline in production is continuing, even though there has been a reduction in the rate of decline and in some places even a small growth in comparison to the very low previous level, so that overall production is far below the starting level in 1989. The processing industry, including our engineering (other than some auto manufacturers), along with the electronics industry and the production of small consumer goods, is showing significant decline. On the other hand, financing and domestic trade have the greatest expansion, as the highest wages paid are increased even more.

As a consequence of increasing the importance of heavy industry and branches with high energy demands in the structure of our economy, along with an overall decline in production, we have never had such high energy demands as right now.

Exporting Raw Materials

Our exports are predominantly successful not for our high-quality goods but because of the low prices as a

result of our relatively cheap labor costs. Products of the processing industry are being exported so successfully, where their value would be raised by the skilled labor, but, mainly, we will be exporting raw materials such as raw lumber, cement, steel, and, possibly, even electricity in the future. This causes even more devastation of our natural wealth and the environment. For example, in connection with our domestic rise in cost for imported refined fuels (petroleum and natural gas), the competitiveness of our coal, with its high cost of extraction and high sulfur content, has been strengthened significantly. The volume and makeup of the more expensive imports obviously do not correspond to the need for technical and technological updating of our production and consumption.

With the pressure of the demands for reductions in the enterprise sphere, however, there has not been an increase in economizing, an increase in the quality of the products, or an improvement in the quality of the useful attributes of the products. There are no investments in innovations. The productivity of labor is low and is steadily dropping.

The suppliers are passing on their expenses to the consumer through price levels. We do not have prices determined by a relationship between supply and demand; we have prices based on costs as determined by the dictate of the suppliers.

Overemployment, Unemployment, and Social Problems

The drop in production is not sufficiently accompanied by a growth in unemployment. The enterprises continue to maintain artificial overemployment. They are paying wages even from the amortization write-offs for fixed assets and from indirect, as well as direct, credits. Meanwhile, there is little credit available for the development of entrepreneurship, and, with the credits for privatization, the banks hardly know what to do. At the same time, morale at work is declining, and not only in the state enterprises. The growth in nominal wages has simply disconnected from the status and development in the productivity of labor. The cost of a family's living expenses in comparison with 1989 has almost doubled. The government has increased the pensions for retirees only slightly, however. Real wages—even though, on the average, they have increased somewhat in comparison with last year—remain far below the level of the base year of 1989.

Differences in the standard of living have obviously increased. The main defect is, however, that the differences have come into being in a way that is far from always in keeping with the level of the results of the work and entrepreneurial activities. The standard of living has increased for some officials and entrepreneurs who have been given preferential treatment by the government, along with that of some people receiving restitution and, mainly, the money changers. The standard of living for simply a majority of honest, hard-working citizens, retirees, and families with children has significantly

declined. This has a destimulating effect, and, from the standpoint of the further development of the economy and morale, is destructive.

A Serious Situation in Agriculture

Extensive management, high expenses, low working morale, theft of property, and production hostile to the ecology persist in agriculture. Restitution and privatization will mean, however, the inevitable reduction of large-scale production and, possibly, a decline in the productivity of labor and the yield per hectare—in any case, a further growth in costs that will show up in the growth in prices for foodstuffs.

Energy Policy Versus the Ecology

The state's energy policy is indecisive and not clear-cut and is, however, at the same time, the basis of our ecological problem. It is not just a matter of the structure of the energy sources—that is, the dilemma of whether to burn domestic coal and have high expenses for removing the sulfur and for preventing other harmful emissions and to build nuclear power plants, with their ecological risk, especially in disposing of nuclear waste, or to stick with refined fuels, especially imported natural gas. It is a matter of constantly increasing energy demands of the economy and of wasting energy. But reduction of the energy demands of the state's economic policy is not being organized or even intended to be organized, and the market is not up to the task of controlling it because whatever high energy costs occur are passed on through the prices. The excessive energy demands are paid for by the final customer, particularly the populace.

Bankruptcies With a Question Mark

We are faced with the problem of the bankruptcy of enterprises. Either they will be further put off, which would mean the end of the transformation to an effective economy, or their thorough implementation will have a chain-reaction effect on the further collapse of the entrepreneurial sphere, possibly including banking, and will cause significant growth in unemployment. There is a real danger that the pragmatic government will again turn out to be protectionist and will save large enterprises selected for protection. This will, of course, cause further economic and moral destruction.

The new taxes and new insurance in effect from the beginning of 1993 (which work most effectively against smaller scale entrepreneurial activities) are naturally causing a further increase in prices. Realistically, one must expect a further growth in the prices of housing, heat, and energy generally, water, transportation and travel, and foodstuffs. It will thus be a matter of a further drop in the standard of living, and it will have the greatest impact on the poorest group of the citizens because it concerns making the essential needs more expensive.

The breakup of the CSFR will have a negative effect on the growth of expenditures and will impact the situation of specific enterprises by limiting their market.

The state's economic policy will experience 1993 as a burdensome test and a millstone. If the government is not capable of changing it in principle and improving its quality, it will itself decide in the negative on the fate of our transformation.

The Need for an Opposition

Modifying the economic policy obviously requires a change in the political power conditions because the ruling party does not need an opposition inasmuch as it again is a self-redeeming party, and the existing opposition is not carrying out its function.

The current political opposition is crippled by the results of the last elections and complains that it does not have sufficient support from the people. But the people's character is to a large degree devastated from the regime of real socialism, and people have learned to bow down to each governing regime so that now, in this period of unemployment, they are fighting more for work. The regime of real socialism was so bad that even the governmental solutions now offered are objectively better. There is no argument about that. It is rather a matter of optimizing the solutions because they are playing with the living standard of our citizens and their descendants. The citizens are also disoriented in their character. Naturally, the greatest part of the people voted for the most radical opposite to real socialism. And now, even though some of them are starting to be fed up with it, they do not see a better solution. They have to convince themselves with their own eyes what is what with the rapacious type of classic capitalism, but they also need an alternative better solution.

Our opposition partly collaborates with the ruling party in order to get praise from it by being a "constructive" opposition; it is partly enraged by the arrogance of the governing power and hysterically slides into undignified and pointless politicking; and it partly does not know what to do because it does not see any alternative overall solution.

The creation of an active opposition is desirable—one that would be capable and willing to look for and find a practically applicable alternative solution. It is hard to predict its form, but, indisputably, the following would be among its basic elements:

- The creation of conditions for full application of the market, particularly through an antimonopoly policy of the state and by rejecting state protectionism.
- Support of small and medium-sized entrepreneurial operations.
- Privatization oriented toward finding suitable owners.

—An effective industrial and structural policy aimed at the suppression and liquidation of ineffective production and the stimulation of progressive production.

—A state social policy applied in all cases where the market fails.

A successful solution of such a large and unprecedented problem as the transformation of real socialism's economy into an effective economy requires much honest collective work, many discussions at the domestic and international levels, and a willingness to make flexible adjustments based on the experience gained. It is utopia to suppose that finding a solution can be a matter of an individual, no matter how educated a person. And, in no case, can a successful solution bear any dogma—neither monetarism nor neo-Keynesianism—simply because the preconditions for any existing theory for which they have been thought out do not exist in this country.

*** Politicization, Delay of Bankruptcy Law Criticized**

93CH0394B Prague HOSPODARSKE NOVINY in Czech 9 Feb 93 p 17

[Commentary by Jaroslav Nykl, Vrchlabi: "The Enterprises and Deferring the Bankruptcy Law"]

[Text] It is frequently stated that the state is not creating adequate conditions for small businesses. I believe that the possibilities at the disposal of corporations are overestimated. I favor the view that the former as well as the existing state enterprises and their management had and have a considerable measure of independence and, thus, responsibility for the results of business activities. Their business activities are, however, unnecessarily weakened by some measures.

In seeking the most rapid way of transforming our firm, the Kablo Vrchlabi corporation, in 1991, we opted for coupon privatization. We made efforts to accelerate the entire campaign as much as possible with an outlook toward the possibly rapid entrance of foreign capital. However, what is the status now? Coupon privatization has slowed down, the transfer of property to owners has been deferred, and foreign partners are losing interest.

What are the other conditions in which corporations formed from state enterprises are operating? In comparison with similar firms abroad, they have little of their own resources for financing (either reserve or risk funds). To the extent to which they created greater resources, be it as state enterprises or as state corporations, these resources are transferred by the Fund for National Property of the Czech Republic into the basic worth. One of the disadvantages, in other words, is the high degree of undercapitalization.

Our firm was preparing to see the law on bankruptcies and settlement go into full effect as of 1 October 1992. I believe that deferring the effective date of this law solved

nothing, but merely deferred all problems and, particularly, their solutions. The expectation that payments to the state budget will decline is coming true anyway. At the same time, the banks tend to favor financing those firms with which they have outstanding risk credits.

I believe that even the impact of bankruptcies upon coupon stockholders is being politicized. The impact will be partially offset by the privatization funds. At the same time, I consider it to be suitable for individual stockholders to be clearly apprised of any possible risks. To the extent to which this is done, this will also benefit the conduct of citizens in the second wave of coupon privatization. It would seem that the effect of the deferral is only to extend the period during which corporations, in comparison to small business ventures, will not have adequate room for business activities.

*** Bankruptcy Effects To Be Softened**

93CH0419B Prague HOSPODARSKE NOVINY in Czech 12 Feb 93 pp 1-2

[Article by (pra): "Bankruptcies Under Supervision: The Law on Bankruptcies and Settlements To Be 'Softened'"]

[Text] The economics ministers of the Czech Government agreed yesterday on the principles for amending, and thus even "softening" the law on bankruptcies and settlements that was approved in 1991. In the words of Prime Minister Vaclav Klaus, an interim period in the guise of a three-month protective time limit is to be included in the process of any possible bankruptcies involving enterprises.

During this period, and under a special regime, the enterprises should undertake attempts to implement recovery steps and this would happen without participation of the state or, in certain cases, with the involvement of the state or possibly the Fund of National Property and the Consolidation Bank. According to Vaclav Klaus, the economics ministers devoted a considerable amount of attention to the methods of preventing the so-called domino effect. The main condition for the involvement of the state or possibly the Fund of National Property or the Consolidation Bank into the bankruptcy proceeding must be the assurance that the threatened enterprise stands in the midst of an economic chain and that its liquidation would lead to a landslide of additional bankruptcies.

In this connection, the Czech prime minister repeated that the application of standard methods suitable for a normally functioning market economy would be a serious mistake in the environment of our economy, which is transforming itself. Therefore, it is also not possible to let the law on bankruptcies and settlements run its full course without the above-mentioned retarding mechanism. However, the prime minister at the same time stated that the ministers did not reach an understanding with regard to setting any uniform criteria according to which decisions regarding the importance of one or another enterprise were to be made. The main

purpose of the amendment was actually said to be the effort to have debtors and creditors confront each other and to make it possible for them, in the three-month period of a more stringent regime, to arrive at a constructive solution. V. Klaus said that as long as the enterprises know that they could defer to the state automatically, under any conditions, we would get nowhere.

The economics ministers will return to the topic of amending the law on bankruptcies and settlements next Wednesday and the government should thereafter be discussing definitive material and the amendment should be submitted to the Czech parliament in March.

The full validity of the law on bankruptcies and settlements was deferred for six months last October with the proviso that the government would utilize the interim time to seek methods that would make it possible to regulate the anticipated wave of bankruptcies and to prevent their chain reaction. This deferral applies until 20 April of this year.

* Fire Sales of Bankrupt Companies Feared

93CH0419D Prague HOSPODARSKE NOVINY in Czech 15 Feb 93 pp 1, 3

[Article by Marcela Doleckova and Jana Havligerova: "Five Minutes to Midnight: V. Dlouhy Says That the State Will Share in Solving Bankruptcies"]

[Text] *The mammoth holding companies in which a lesser or greater degree of redistribution is being preserved will obviously be broken up into smaller units prior to the effectiveness of the law on bankruptcies. It is not until the flows of goods and money become clarified in this manner that the state will be willing to lend a helping hand.*

Despite the fact that the actions by all interested parties have not been finalized, Minister V. Dlouhy is identifying this step as the new feature of his industrial policy. Even though the economics ministers will not be taking up the technical aspects of this restructuring until Wednesday, and even though it is evident that the method will differ from giant enterprise to giant enterprise, V. Dlouhy does not want to require the government to undertake financial decontamination without guarantees that the utilization of any possible assistance will be rational, targeted, and will not be drowned in redistribution trials.

Perhaps the background of the considerations being made by the Dlouhy ministry also includes the fear of speculation: It would be possible to buy a large firm that is going through bankruptcy even at ridiculous prices. This opportunity would be at the particular disposal of foreign capital. The bankruptcy of unsalable and heavily indebted enterprises could also be utilized by their current management or by a small capital group, such as one or another of the privatization investment funds.

This radical incursion that has been specifically demanded of managements by the Ministry of Industry

(thus far, obviously without any overwhelming success) carries with it many question marks. Among others, it is the fact that some holding companies (Skoda Plzen, CKD Praha, Tatra Koprivnice) have already undergone coupon privatization as entire entities. The minister nevertheless contends that the mechanism of dividing securities exists and could become a supplement to privatization projects. Of course, the entire action would have to be completed by 29 March, when individual holders of investment coupons and funds would be taking over securities in registered form. Obviously, obligations as well as claims will be difficult to divide—items that are normally "owned" by the entire holding company. A question unto itself involves the influence of bankruptcies of Slovak enterprises upon the Czech enterprise sphere. It is reported that this matter has, for the time being, not been discussed.

As early as last fall, when the government managed to persuade parliament to defer the validity of the key sections of the law on bankruptcies once more, it found that it was led by an effort to seek an alternative method for solving the financial situation at enterprises so as to spread the risk involved in the bankruptcies among creditors, debtors, banks, and possibly even the Fund of National Property.

Therefore, the variation that clearly looked like the most hopeful one of all, anticipates that a three-month deadline will be set for an enterprise going bankrupt "out of mercy," a period during which the enterprise can negotiate with creditors.

If some kind of agreement is not reached, the enterprise can in fact declare bankruptcy, as is fitting, or the state will intervene. The mechanism for this intervention could be either, for example, assistance from the state budget or the provision of cash to the Consolidation Bank in Prague by the Fund of National Property, allowing it to purchase "uncollectible" claims. The price would probably also be a matter of agreement; but approximately 50 percent was indicated. The resulting vision is such that the Consolidation Bank would attempt to sell these claims, obviously at a higher price than that at which it purchased them. The minister claims that a buyer could always be found; he mentioned the "purchase" price with less certainty.

To the objection that the three-month protective period is somewhat short, Minister Dlouhy responded by saying that the enterprises had an entire year at their disposal during which the most important section of the law on bankruptcies was blocked and received another six months as a gift resulting from its amendment.

* Job Creation Project Cannot Find Employees

93CH0419C Prague HOSPODARSKE NOVINY in Czech 15 Feb 93 p 4

[Article by Zuzana Kubatova: "Businessmen Helpless in the Face of Manpower Shortage"]

[Text] Businessmen who last year received subsidies from the government in the Ostrava region set aside for regional development are frequently having worries today in living up to their obligations based on these subsidies. For the most part, they promised that they will create a certain number of jobs.

Today, even though they have created jobs, "they do not have people." They are unable to find workers willing to devote those eight hours of their daily time to the employer in fact and 100 percent.

The owner of a large advertising agency has been working 16 hours a day for two years now. The enterprise is prospering quite well; there would be no problem in paying additional creative workers, but the majority of the efforts to transfer a portion of the responsible work to a new colleague have ended unsuccessfully. Another agency—this time a brokerage and procurement agency—made an outstanding name for itself during the first year of its activities as a very serious reliable operational enterprise. As soon as the owner took on additional female help in responsible jobs, because she could personally no longer manage her expanding agenda, the image began to deteriorate rapidly, the number of complaints increased, and the firm is beginning to lose customers.

The 16-member news department of Ostrava Radio lost six people last year; the reason was not even the low pay nor the unsuitable nature of the work. For the most part, those who left did so because of their dislike of working conditions and because of disagreements with the management. At Biocela at Paskov, they are also afraid that the most capable people will leave before the enterprise is privatized when its future has not, for the time being, been assured. Thus, they are using psychological methods in approaching their employees, they are engaged in individual evaluations of everyone, they are striving to improve the relationship between superiors and subordinates, they are attempting to influence the overall atmosphere of the enterprise.

Such issues as working with people, questions of their motivation, and various methods of management, are beginning to be frequently a matter of importance in terms of continued existence for our enterprises—and this is not only the case directly in the production sphere. Existing practices are proving to be ineffective. The first to begin feeling this are the smaller private firms which are undergoing dynamic development, for whose owners (and, for the most part, their managers, who are one and the same person) the absence of reliable and efficient personnel capable of performing independent work, represents a downright fatal condition regarding their continued existence.

Will a Theorist Help?

Engineer Andrej Kopcaj, candidate of sciences, is the director of the Silma 90 Consulting Firm; he deals with the theory of "managing an intelligent resource," he gives lectures and publishes on this topic. He claims that

our enterprises must undergo a managerial revolution, such as the economically mature world has undergone and is undergoing. "The problem is that, for example, in the United States, the existing directive method of management began to show itself as being ineffective some time at the beginning of the nineties. If we express the chaotic and precipitous development of the 1990's with the assistance of five stages of turbulence, we can say that the United States stands today somewhere between stages 2 and 3 and that it will reach stage 5 in approximately five years. Our society stands somewhere near stages 1-2; however, if we are to retain our competitiveness, we must catch up with the fifth stage of turbulence within five years, just like the Americans. This means that the change in our country must occur at a much more rapid pace, much more radically. In other words, we need a stronger impulse to accomplish this change, we need a higher so-called gradient of change."

According to Engineer Kopcaj, we need a new modern method of management in order to achieve a more efficient method of production, to achieve a more effective functioning on the part of our enterprises, in addition to other prerequisites. "The existing management—a management of the so-called 'natural' type, led workers on the basis of the 'how' method. The manager assigned work orders, assigned the resources which the employee was to use in reaching a goal. In the increasing turbulence, however, this style begins to become a retarding influence, not only hampering the maximum utilization of the capabilities of the subordinate, but at a turbulence level higher than level 3. This development is already occurring at such a precipitous rate that there is no time to set goals for the employee and lead him to their fulfillment because circumstances are changing more rapidly than I am capable of describing the procedures for achieving a goal by the 'how' method." Thus, the manager is to change from a manager-boss, who assigns tasks and checks on their fulfillment, to a manager-leader, who makes goal assignments in such a manner as to have his employees identify with those goals.

Engineer Kopcaj reminds us that it is not possible to restrict the motivation of an employee to purely psychological matters. "What is involved here are three spheres within the enterprise—the sphere of the individual, the group, and the sphere of enterprise culture, given by the environment of the enterprise, by the customs, by the enterprise public opinion. If we wish to achieve change, it is not possible to influence only one of these three spheres—say, the individual—as often happens. We must change the relationship between groups—between superiors and subordinates, for example. And we must strive for a new enterprise culture to develop. And this is a matter for top management—it is not possible to rely on the fact that the enterprise culture, the environment within the enterprise, will change automatically as a result of individuals or groups. The individual cannot escape the collective in which he works and is always limited by the general customs together with his culture subconscious."

Enterprise management contains a total of eight different segments—it is necessary to create an enterprise vision, to set an overall goal. The vision must be corrected by the system of values, of principles. Enterprise symbolism is created, a style of management is set. Other segments include the enterprise structure, strategy, enterprise systems, and, finally, the area of employee qualification. It is surprising how the first group of these segments is neglected—changes in enterprises are, for the most part, occurring in those spheres that are most clearly visible at first glance—for example, the structure of a department is radically changed. According to engineer Kopcaj, management in our enterprises is functioning at most in three of these eight management sectors and is primarily neglecting the first group, in which the very vision of the enterprise is at the highest place in the hierarchy. In terms of the second group, the most important aspect is the creation of enterprise strategy and even that is generally not of principal interest to our leading workers.

Hunger and, at the Same Time, Lack of Confidence

Some samples of managerial philosophy as presented by employees of the Silma Consulting Firm tend to prove

that poor experiences by managers in the area of working with people are in no way accidental. The method of management applied hitherto led to such a style of work which, today, at the beginning of the "creation of capitalism," is already an obstacle to development. With the deepening of market relationships and the sharpening of competition, this will become even more discernible. The majority of managers feel this and are seeking ways out of this enchanted circle. For the time being, consulting firms have no shortage of clients; on the other hand, we often hear manager-practitioners say that theoreticians will not solve their problems of the moment. It is not possible to require every manager to immediately begin training in the managerial arts—most of them do not even have time to do so in the press of daily activities. But it is good to look at one's work and take a look at current operating problems from time to time even in broader contexts. Not only engineer Kopcaj, but also other consultants report similar experiences involving their clients: "People often say that they did not learn anything revolutionarily new in the lecture, but that they had their previous instinctive feelings confirmed for them." Therefore, it is obviously undesirable to always suppress those instinctive feelings.

*** MDF MP Defends 'Dignity of Hungarian Nation'**

93CH0398B Budapest TALLOZO in Hungarian
11 Feb 93 pp 250-251

[Interview with Izabella B. Kiraly, MDF parliamentary representative, by Henrik Havas and Laszlo Juszt on the weekly TV program "OSSZTUZ"; date not given: "We're Talking Past Each Other"]

[Text] [Juszt] Izabella B. Kiraly, parliamentary representative for the Hungarian Democratic Forum [MDF], gave an interview Monday night to "TV HIRADO" that one can only view as momentary insanity. To avoid disagreement, let's take a look.

[Reporter] These skinheads are hurting Gypsies and people from other ethnic minorities. They are the ones one should publicly denounce. Maybe that would help more; the press is doing so already. Or are you of a different opinion?

[Kiraly] If a crime is committed, rowdiness or any other crime, this is the court's task. I don't think it should be judged by the press or by representatives.

[Reporter] The press presents it; is that a problem?

[Kiraly] What the press presented here... didn't you hear my speech? Then you must know. I quoted verbatim!

[Reporter] We didn't hear one word of condemnation against the skinheads. What do you think of them?

[Kiraly] I don't know them.

[Reporter] Have you never heard of them?

[Kiraly] Don't provoke me! Because I am beginning to believe that you are also a provoker. Aren't you wearing a yellow star?

[Reporter] If someone is wearing one, is he a provoker?

[Kiraly] I just told you that it happened, it did happen! "Fekete Doboz" [Black Box] with reporter Vujity Tvrtko marched in to the Csurka meeting, together with a few youths wearing yellow stars. They obviously wanted to provoke someone, or show off....

[Juszt] My question is: How did you determine the origin of the colleague you were talking to at first sight, instantly?

[Kiraly] Very funny! But let me add a few things: The end of the sentence was omitted. The end of the sentence was cut off. Namely, I said that he wanted to provoke anti-Semitism. This is what it was about. That this is the latest fashion. That at MDF forums, and last at Csurka's Solymar forum, "Fekete Doboz," Vujity Tvrtko, and some young men appeared wearing yellow stars.... Frankly, I think it would be very good if the Hungarian Jewish communities distanced themselves from these

provocations. The yellow star is a symbol which brings up extremely sad memories. One ought not to abuse it in this way!

[Juszt] In other words, you claim that someone is directly provoking these things?

[Kiraly] Exactly.

[Juszt] This is a very peculiar opinion. Because the presidium of the Democratic Forum immediately gave you—to use an appropriate metaphor, since you are a teacher—a rebuke from the principal. Immediately, still there in parliament, and then again the day before yesterday at the meeting of the presidium.

[Kiraly] Did you do your research? Because I don't really see that you did your research.

[Juszt] Bravo!

[Kiraly] Because there wasn't—at least, I don't know of—any rebuke from the presidium.

[Juszt] Teacher! This is a metaphor. What I wanted to say is that the MDF faction—and you probably heard about this—pretty sharply distanced itself from you.

[Kiraly]. Yes. Well, this can be a regrettable misunderstanding. I tell you as it is, I didn't have time to read what this distancing is all about. I hope you have a copy. I know that when I asked if he was there, one representative said that there were about 20-22 people there. Then I asked another representative who was there, what actually happened? He said that he suggests... that he suggests... the faction suggests that I move over to the independents. Well, let me tell you right away that I don't intend to do so. I asked him, how many of you were there? He said, about 40. Well, this was—considering the 160 people in the faction—about one-fourth participation. I don't know the exact distribution of votes. But it makes me think why my faction hastened to distance itself from me....

[Juszt] Why do you think?

[Kiraly] I will ask them. Actually I don't know. Namely, they are talking about my political style. I know one thing: At the national MDF convention I ended up No. 30 on the final list. In other words, in the last analysis the MDF delegates, the delegates sent by the membership, put me as No. 30.... At a time when I speak relatively little, but there must still be people who like my way of politics.

[Havas] The newspapers say that—according to the faction—you discredit the values the Democratic Forum subscribes to.

[Kiraly] Well, one should ask what they mean by this? Because the fundamental values on the title page of the articles, I subscribe to them, all of them. I am so sure of this that even the great Hungarian folk custom of distancing oneself cannot change my opinion.

[Havas] You said you were not sure that the distancing applies to the entire faction, because there were only a few of them. However, the newspapers still didn't receive a new statement of distance, namely that this is not the faction's opinion, only that of a minority.

[Kiraly] The next meeting will be on Monday. I don't know if they will bring it up. They will certainly bring it up again....

[Havas] You weren't present, were you?

[Kiraly] No.

[Havas] And why not?

[Kiraly] Because I was working on the mail of the Miko circle (...).

[Juszt] Don't pass the ball! I was waiting and waiting for it, although I have never in my life bought a PEST MEGYEI HIRLAP, but apparently in vain, because the column "Mail Opening" never appeared. Why is that?

[Kiraly] Our program is so crowded—the Miko circle always meets on Monday between 1100 and 1200—and the material is so fantastically large that we prepared it again for this Monday, and as it looks now, it still has to be refined. Actually it is a very delicate matter.

[Juszt] Are you censoring it?

[Kiraly] This is not censorship. But we are aware of the huge responsibility. Before we said anything at all, such incredible panic broke out about this issue that we really must pay very close attention. Although I am convinced that it has already been very useful.

[Juszt] What kinds of reports were sent in?

[Kiraly] Not denunciations.

[Juszt] Not denunciations?

[Kiraly] You didn't do your research. Please, warn your colleague that if he is expecting me here in this chair, then....

[Juszt] What is your problem with this question?

[Kiraly] My problem is where did you read that denunciations.... What NEPSZABADSAG wrote.... It even wrote that we asked schoolchildren to denounce....

[Juszt] Please! Do you accept Emil Bogdan, who is present in the room, as a trustworthy witness?

[Kiraly] Of course.

[Juszt] One morning, Mr. Bogdan was my guest on "NAP TV," and he used the expression "denunciation."

[Kiraly] It is possible that he took it from one of the newspapers, and it was a slip of the tongue....

[Juszt] Then I ask our director to insert him here.

[Bogdan] I wasn't the one who started these denunciations. I only know the situation superficially because we will only analyze it today. We don't want to interfere in the matter before the national convention. But some newspapers have already declared themselves ready to publish the list which we will bring. Our intention is only to point out that "irritating statements are being made, and let's possibly eliminate them."

[Kiraly] The crux of the matter is still if there was a slip of the tongue. The statement we published... I'm really happy you are having such a good time. I knew there will be too many people here. Next time, please get a bigger room.

[Havas] Budapest Sport Stadium?

[Kiraly] I don't know. Possibly!

[Juszt] At any rate, let's really clarify the matter. Namely, if I remember correctly, the issue was that you were expecting letters in which citizens who pay attention to public life draw attention to public figures whose statements are anti-Hungarian....

[Kiraly] No, no. This is already inaccurate.

[Havas] What then?

[Kiraly] Let's be very careful with the formulation. Our goal was to pay attention to utterances that offend the dignity of the Hungarian nation. Namely, what the simple newspaper reader, radio listener, television viewer considers to be such. Maybe you don't consider it to be such.... It is possible that half of the audience doesn't consider it such!

[Havas] If it is sent in a stamped envelope to an entity, to a committee, to a circle, then how does it differ from denunciation? In its content?

[Kiraly] Where are we sending it? It is published in the paper as a letter to the editor.

[Havas] Put people on the pillory, so to speak?

[Kiraly] Let it be a pillory.

[Juszt] But what does this mean?

[Kiraly] Let me give you an example, then it will be simpler. For instance: A letter came in which the reader objects to a police report published in MAGYAR HIRLAP under the title "Hungarian Bravado," according to which in Tiszaderzs, during or after drinking, someone struck down his drinking companion. Now think about this, is it not elevated morality and a dignified Hungarian consciousness which protects Hungarian bravado from the effects of a simple drinking bout....

[Havas] But why is this a problem? In Svejka, a Hungarian hussar kicks seven Czech sappers out of the inn.... This is Hungarian bravado!

[Kiraly] Yes, but when they fight after drinking, that is not Hungarian bravado.

[Havas] To what extent does this offend the nation's dignity?

[Kiraly] If it doesn't offend yours, I can't explain it.

[Havas] From Kentucky to Hamburg, guys beat each other up while drinking.

[Kiraly] That's it! And there, it isn't Hungarian bravado either! Do you understand?

[Juszt] Let's see another example.

[Kiraly] I do have other examples. But it is still worth thinking about. There was also a letter which thought it offended the dignity of Hungarians that a humorist (...) mocked a Romanian tourist. Do you understand?

[Havas] Hungarians are the host nation, and this destroys our image?

[Kiraly] No. I'm not going to elaborate on it any further. I am saying that there are Hungarians who think it is offensive to the dignity of Hungarians if a guest in our country is being mocked.

[Havas] The opinion published by the faction is that you discredit the values which the Democratic Forum subscribes to. Immediately after your speech Interior Minister Peter Boross, in connection with Dobrentei Square, with the fascist insignia, said that this is something Hungarians must never tolerate. Secondly, he said in connection with a case where a Jewish girl was stabbed that this is intolerable, this is sad, this is tragic. I think these are two cases which are absolutely incompatible with the dignity of the Hungarian nation.

[Kiraly] I agree. So they are.

[Havas] If you agree that these are the two cases which actually offend the dignity of the Hungarian nation, than why are you constantly being misunderstood?

[Kiraly] Janos Szekely has a saying: "If someone is only intent on which one of our words he can find fault with, it is a waste of time to open our mouths in his presence." Unfortunately, we are in a situation that a discussion of principles cannot be carried out until a new political dictionary is prepared. We simply don't understand each other, because we talk past each other.

[Juszt] I don't know what dictionary you are thinking about. You have a fairly peculiar dictionary, let us show you. Please let's have the insert from KINN-PAD.

[Havas] *Peter Esterhazy wrote that the grammatical comparison Hungarian, more Hungarian, even more Hungarian, is impossible—there is only Hungarian. Why does one have to deal with this? He said this is as simple as breathing. Incidentally, this is what I think, too.*

[Kiraly] Yes. However, in this case you should go to see Geza Hofi's show entitled "The Wages of Food."

[Havas] I've seen it.

[Kiraly] And you are not surprised? That the audience pays 500 forints, and laughs? If this were a self-respecting Hungarian audience, it would find a way of sweeping this program, and Hofi altogether, off the stage.

[Havas] But why? He is a genius of a comic.

[Kiraly] He is not a genius of a comic, but a Hungarophobe.... I went to see his last show. I promise that next to what Geza Hofi did to Laszlo Tokes, the Securitate [Romanian secret police]....

[Havas] What did he do?

[Kiraly] You have to see it again. What he did in that program with the flag and the national colors... Well, one can't.... A Hungarian audience with a healthy self-respect starts to boo, and it leaves the room....

[Havas] Instead, the audience laughed, I guess.

[Kiraly] Yes. This is why I say that it doesn't have a healthy Hungarian self-respect. Because it doesn't notice it, when one must notice it.

[Juszt] Are you aware that whether you want it or not, you are dividing a nation? Because to say that Hofi should leave!

[Kiraly] I don't know who among the audience will go to see it again. He goes to see it once, and maybe never again.... I suspect that if the Hofi show I saw had been broadcast on TV on 7 November, he would never have a full house again.

[Juszt] I suspect that the opposite is likely.

[Kiraly] Again, misunderstandings. I said in this particular show you quoted from before that I... my problem is not with comics in general. I have a problem with one or another comic. But for me the issue is that I finally want to hear two Szeklers [Hungarians of Eastern Transylvania] tell jokes on television. To which a certain Geza Hofi says that the representative would like to hear Szekler jokes. Not from him! Understand it finally! I would like to hear two Szeklers.

[Juszt] I suppose, among the many denunciations, there were....

[Kiraly] Report, letter, observation... let us be exact

[Havas] By the way, were there no reports against the skinheads, the "page boys with a national sentiment"? That they discredit the nation, and compromise us? With their fights and violent actions they present a picture of us according to which we are not a host nation, we are not tolerant, we don't tolerate differences, we are violent.

[Kiraly] Well, then, let's finally address the question that I think is the most important.

[Havas] That's what I want, too. Let's talk about the Dobrentei Square issue.

[Kiraly] Not Dobrentei... whoever thinks that this is the issue is either stupid or doesn't want to understand that this is not what the story is about! What is the question here? Hungarians during the past 45 years have been condemned as collectively guilty: fascists, anti-Semites, xenophobes, racists, war criminals, last hangers-on [of the Nazis]. This is what it was like. For three years, we have been trying to clear ourselves from all this. At the same time, what kinds of posters is Budapest full of? On top: Hungarian Way... and people wearing iron helmets are marching... towards flags with swastikas. Well, excuse me! The police should also investigate this; who is putting these out, and why? Why does everything Hungarian immediately have to be called fascist? Why does every honest intention have to be spoiled—I suspect with dirty provocations?

[Havas] I don't know, by the way, that people in a costume outfitted with Arpad stripes....

[Kiraly] Who outfitted them?

[Havas] That's exactly what I am asking.

[Kiraly] That's exactly what I am asking!

[Havas] "Esti Egyenleg" [Evening Balance] identified the youth who visited you, who was there on 23 October, with one of the attackers on Dobrentei Square.

[Kiraly] He was not waving a flag. But this is not what is interesting. What is interesting is that I have since seen that one single youth who was wearing a Nazi uniform waving a flag 500 times on TV! This is what they are showing about us everywhere in the world! He was the only one there! Maybe there were another 20 boys there. But there were tens of thousands of Hungarians there who since have been labeled fascists. One week ago in NEPSZABADSAG a humorist called this demonstration "a little fascist demonstration." Where the—excuse me—Mister President endured one and a half minutes of whistling! I am enduring here I don't know how much of it!

[Havas] I think this is a strong exaggeration.

[Kiraly] Why?

[Havas] Because no one called the crowd on 23 October fascist.

[Kiraly] I just read it! It's in the newspaper!

[Havas] I think the weakest point of your argumentation is that you regularly confuse the criticism of these youths with the criticism of the masses belonging to the popular-national course in general and of the camp of the Democratic Forum. This is extremely dangerous. Perhaps it is this exaggeration that your party is fed up with.

[Kiraly] There are so many things confused here! It is a victorious Marxist inheritance here, how one can turn

the occupier into a liberator. How they are now attempting to put the 1956 martyrs together with the murderers nicely in one monument—because all of them are our martyrs—this is how the confusion goes. If I ask you, for instance, what it is.... If I tell you the story, that really, a very exceptional.... I don't know, I, I.... I will figure out somehow what really happened. That I had to go downstairs to gate No. 6. I saw that they are neat, well-dressed young men, and....

[Havas] The bomber jacket?

[Kiraly] Exactly.... Listen! I had no idea what that was, a bomber jacket. I only found out later.

[Juszt] Isn't this your problem, excuse me, that you always only find out later what is what? We have another tape here from Abony where you live.

[Reporter] Have you known her long?

[Interviewee] She is a teacher, a parliamentary representative. I know her father. He is also a teacher. Her younger brother is an innkeeper, Joska. Sanyi is a deputy of the republic. A good family.

[Interviewee] So far, I have known her as a respected person in Abony. What can I say? Now, from the population, as one hears, there are impressions in connection with her utterances, that she is not exactly....

[Interviewee] In my observation, I am becoming embittered because people who belonged to the first three families of Abony in the past regime are now the first family in Abony. Moreover, someone who was lord lieutenant of three counties is a parliamentary representative. But my opinion is not good.

[Reporter] What do you think of Izabella B. Kiraly?

[Interviewee] We knew her as a teacher. Since she became a politician, people don't mind her much. At least that's what I think. By the way, I think it is about.... I don't think they are page boys.

[Interviewee] The whole family was politicians.

[Reporter] Earlier?

[Interviewee] Earlier. Her father was instructor for "lev-ente" [military youth organization 1928-44—as published], what can I say? Her brother was also in the party.

[Reporter] Which party?

[Interviewee] The Communist Party, of course! Every single one of them was either a leader of the young pioneers or a teacher. You know very well that... they switched sides in an instant. That's all I can say about her. It would lead further if she withdrew into herself!

[Juszt] I am not saying that this is what everyone in Abony thinks of you. But you can be sure that this is close to public opinion.

[Kiraly] I didn't come here to hear you speak, but to speak my mind. Namely.... This is what happened last night. I come home late at night, and a neighbor comes to me and says, Izabella, "NAP TV" was here; they went all over town, and they stuck a microphone under my nose, too, to tell them what I know about the Communist past of the family.

[Juszt] Did you hear the questions? This is not what my colleague asked.

[Kiraly] OK. This is what I was told. This is how the people of Abony were provoked! If you are respectable TV people, and you are really interested in people's opinion about me, then, say, you find out by taking a candid camera into grade 8/C, and I appear three years later, in grade 6/C, now 8/C; film it how the kids greet me. Then I will believe that you are showing the real picture.

[Juszt] Please! I think the gist of the whole thing is what the peddler woman said: There is a family that, in one way or another, was respected in the previous regime, as well. They had offices, and not negligible ones, in the party, in the cooperative....

[Kiraly] Well then, if you are so well prepared, let's hear the details.

[Juszt] It was an interview with you. Shall I read it?

[Kiraly] Of course!

[Juszt] You said that your younger brother was active in KISZ [Communist Youth Organization], and then in the party committee. Is this true?

[Kiraly] It is true. But wait a minute! Take out the Who is Who of 1992! I think that no one except my brother dared admit that he had a past in the Hungarian Socialist Workers' Party [MSZMP]. Just take a look. And another thing, that one judges people by their actions, you know?

[Juszt] Here you also said that "my husband was also in MSZMP. He joined because in the cooperative one had to do what was decided by the party. However, in this way, there could be no decision which he didn't learn about ahead of time." Then you also said that it hit your husband very hard emotionally that he was made to organize cooperatives.

[Kiraly] Well, something is inaccurate here.... Cooperatives were no longer being organized, the cooperative was already there.

[Havas] Let me ask a question that we cannot avoid. Aren't you afraid that the Imre Miko Circle, which examines anti-Hungarian activity....

[Kiraly] The dignity of the Hungarian nation....

[Havas] The Imre Miko Circle which examines activity which violates the dignity of the Hungarian nation—the page boys who beat up young people who look like Jews....

[Kiraly] OK, let's stop here. I cannot listen to this any longer. Are you aware that in Pecs, 10 previously convicted Gypsy Romanian citizens raped a girl, a minor, whose uterus subsequently had to be removed? Are you aware of this?

[Juszt] What do you want to say by this?

[Havas] Does this excuse Dobrenței Square?

[Kiraly] What I am saying is that there should always be straightforward, honest information from every side. Now, Minister Boross will follow me here in the chair, and he gave a speech, and he said that we have to distance ourselves from the swastika. Of course! From every symbol which is stained with blood and dirt: the swastika, the red star. Everything. Beyond that, as a representative, I cannot deny my past as a teacher. Thus, I say that the Hungarian youth must be imbued with a culture, with an education, with a solid ideology so that it could not become a victim of any stilted ideology. And this is what my speech was about!

[Havas] Your example, that 10 Romanian Gypsies is the same catastrophe as if X number of Hungarian nationalistic....

[Kiraly] Exactly.

[Havas] ...youths had beaten them up on Dobrenței square. This is where the catastrophe is; this is what the problem is. That in Romania, anti-Romanian Hungarians are being examined, and here we are talking about 10 Romanians, and not about 10 scoundrels! This is what the greatest problem of your argumentation is, and you don't realize it! That Romanian or Hungarian is equally honest and respectable....

[Kiraly] Are you telling me that I don't realize it? This is why I started an attack on Article No. 156!

[Havas] But here, you brought up 10 Romanians against eight Hungarian scoundrels! This is where the fallacy is. And this is where the tragedy is.

[Kiraly] My dear Sir!

[Havas] In the streetcar stop, boys who looked Jewish....

[Kiraly] I didn't....

[Havas] A girl who looked Jewish, 10 Romanians because of whom the girl's uterus had to be removed.... If we always add Romanian, Hungarian, Gypsy, Jewish-looking, where are we going to end up?

[Kiraly] I am only saying that the reporting is false. The other thing is that matters must be completed. I am extremely sorry for everyone who was subject to any violence. But I would really like to hear what happened to the girl the minister reported about. I would very much like to hear what really happened. That when the matter is over, it shouldn't be like with the case in Salgotarjan, that the only news that reached SPIEGEL was that two bald kids....

[Havas] But why is it precisely the case in Pecs that you want to know about? Such violent crimes are being committed by the dozen by Hungarians. Why is it exactly the Pecs case that you have to deal with? This is what agitates public opinion. Couldn't one view these cases independently of nationality, only from the point of view of crime....

[Kiraly] That's exactly what one should do.

[Havas] But you are the one who brings up examples.

[Kiraly] My dear Sir! Listen! This is why I appealed to the Constitutional Court to cancel Article No. 156! Because I know exactly what is going on. Do you know what Article No. 156 is?

[Havas] Yes, I know. This is national, racial, and other....

[Kiraly] In 1948, an extraordinary agreement was arrived at, an exceptionally good agreement, about the punishment for genocide. This crime is punished in the Hungarian Code of Criminal Law by Articles No. 155 and 156. The original agreement declares, that is, the international agreement, that an injury suffered because of belonging to a nation, people, religion, ethnic minority—I don't know the exact wording—with the intent of partial or complete extinction, is genocide, and it must be punished. But in Article No. 156, Section B was omitted from this agreement, namely intentionality was omitted. Thus, here, in our Code of Criminal Law, this is only included as physical or psychological harm suffered because of belonging to a nation, people, race, etc. Thus, intentionality was omitted. This is why it is not in accordance with the international agreement. But I have another problem with it. My problem is that this agreement only works in one direction. In other words, if the court, the Constitutional Court, doesn't cancel it, I will start a lawsuit myself, for the injury I suffered as a Hungarian.

* Attack of Nazi Youth on Bystanders Described

93CH0398C Budapest TALLOZO in Hungarian
11 Feb 93 p 247

[Article by Gyula Kandur: "Wearing Swastikas"—reprinted from 2 February weekly ZSARU]

[Text] On 22 January, if only for a short time, an astonishing sight caught the attention of the inhabitants of Castle Hill in Buda. On the walls, which breathe a historical atmosphere, posters bearing swastikas reminded the viewers of the much-cited dunghill of history. The police came, took steps against the youths

putting up the posters, and removed the bizarre graffiti as well. But somehow, the youths could not calm down....

"Saturday night, around 2200, on Ferenciek Square, two of my friends and I were considering where we should go for a beer," recalls one of the injured parties, whom we will call at his own request by an imaginary name, say Jozsef Nagy. "This is when we noticed them. It was a numbing sight."

Like in the Movies

"There must have been 10 or 12 of them; several of them wore arm-bands with swastikas. Some of the youths wore black felt caps with a skull insignia on their heads. They were loud and rowdy. There were many people on the square, but no one reprimanded them; people tried to keep a distance while walking by them with downcast eyes. I have seen something like this only in the movies. I told my friends we should alert the police, but they said someone must have called the Yard [police] already; so we left it at that. I didn't think I would meet this 'commando' again, but I did. After the pleasant evening, one of my friends and I walked across Erzsebet bridge to take a streetcar. On Dbrentei Square, we could see the youths wearing swastikas in action. It was pretty scary."

Kicked Girls

"The group wearing the scary outfits gathered around two young girls and a boy at the streetcar stop. They were pushing, cursing, and kicking them, although, as far as I could see it, they didn't belong to any minority. I only think it is important to mention this to make it clear that they didn't attack colored people, gypsies, Vietnamese, but—I know this sounds ridiculous—simple Hungarian youths. It could have been anybody. In spite of the terrifying sight, we hurried to defend the people under attack. Then they turned against us. Three of them started to chase my friend, and they hit him and kicked him wherever they could get to him. One of them charged at me, shouting 'Rotten pacifist,' although I didn't say a word about my views. Then he kicked me a couple of times hard with his heavy boots. I ran away and called the police from a nearby corner. The police car was there before I had a chance to hang up. In the meantime the streetcar came; the girls and their companion clambered up with difficulty, among constant blows. If the whole thing hadn't happened to me, I wouldn't believe it."

Worried Parents

Dr. Endre Krajczar, director of the department of investigation at the District I Police Station, has difficulty organizing the paperwork on the matter of the eight rowdies in custody. The problem is the constantly ringing telephone: The youths' parents are protesting

against the detention. One father, who does not fail to mention that he is a journalist, inquires about the possibility of a visit. Others would bring food and toiletries for their stumbled child, and are astonished at the episode; some utter veiled threats.

"What can the rowdies expect?" I ask one of the investigators with a law degree who, for some reason, also asks that his name be omitted.

"Based on current legal practice, they have hardly anything to be afraid of. I bet that none of them will be sentenced to an enforceable prison term. A fine, a reprimand from the prosecution is all that can be expected."

This is the story. Influenced by what I heard, who knows why, I am also using a pen name to sign my report. Like this!

*** Carnogursky on Present KDH Role, HZDS**

93CH04154 Bratislava SMENA in Slovak 15 Feb 93
p 5

[Interview with Jan Carnogursky, chairman of the Christian Democratic Movement, by Eva Zelenayova; place and date not given: "For Now I Am Not a Candidate"]

[Text] *The Christian Democratic Movement [KDH] was the first to establish itself on the political scene after November. From the start its chairman has been Jan Carnogursky who granted us an interview on the movement's current problems as well as his own standpoints.*

[Zelenayova] The previous government, that is, the KDH government, ran aground because of irresolution. Is this characteristic of the entire movement or merely of its chairman?

[Carnogursky] KDH did not run aground because of irresolution. In the government the movement enjoyed only a relative majority. It happened several times that KDH ministers were outvoted in the government. The government managed to adopt decisions which it knew had to be made and also managed to foresee the consequences of these decisions. This was, for example, the decision to continue the Gabčíkovo construction, to carry out a gradual and regulated cutback in mining, as well as others. We did not adopt decisions in the area of state powers sharing which would have led Czecho-Slovakia into dissolution because we did not attempt to foresee the consequences of such acts and did not wish to expose the population to hardship. If that's called irresolution, I accept it.

[Zelenayova] In the decisive moments KDH did not conduct itself in the manner most citizens of Slovakia expected from it. Your deputies did not accept the Declaration of Slovak Sovereignty, nor the SR [Slovak Republic] Constitution. Don't you think that precisely in those moments a different kind of gesture toward their voters was expected from KDH deputies?

[Carnogursky] The Declaration of Slovak Sovereignty was the first step toward an uncontrolled division of Czecho-Slovakia and therefore we did not wish to join it. In its content the Declaration was by no means a declaration of sovereignty. It was a mere empty gesture. Ultimately, when Slovakia's first serious problem was encountered in regard to Gabčíkovo, the Slovak Government by then already after passage of the sovereignty declaration proclaimed that it was not a matter of its concern and passed it off to the Federal Government. KDH is not conducting a policy of gestures but rather a reasonable policy which benefits Slovakia. In our deliberations on what position to take on the Declaration we proceeded from Slovakia's long-term interest in not only gaining but also maintaining its sovereignty. Therefore we voted against that empty gesture even at the price that many Slovak citizens would not yet understand it at that time. But I believe that already the present time offers proof that we were right.

[Zelenayova] What would you cite as evidence that you are conducting a policy beneficial to Slovakia?

[Carnogursky] The present state of affairs, in the sense that the separation of the Czech lands and Slovakia is deepening into forms that prime minister Meciar and HZDS [Movement for a Democratic Slovakia] perhaps had themselves not anticipated or deliberately kept from the population of Slovakia. They kept mum about the Slovak-Czech border becoming a strictly guarded frontier with customs houses. They asserted that the common currency will be maintained until at least June of this year, and it lasted only a month.

[Zelenayova] Don't you think that this may have been merely a faulty estimate of the partner on the Czech side?

[Carnogursky] This was a faulty estimate of their political possibilities. Put simply, after separation each republic does what suits its interests.

[Zelenayova] That may be so, but this development which originated already in the former common republic was something you too aided when you came out with a treaty between both republics. Further movement in that direction then became inexorable. The Czechs evidently grasped that Slovakia would go for its own star and become an encumbrance. The pragmatic approach of Klaus and Meciar ultimately led to the birth of two independent states. Why doesn't KDH want to enter politics in a more constructive fashion?

[Carnogursky] Well, we are doing it. Our deputies have voted in favor of all economic legislation, we achieved a reduction in the entrepreneurs' contribution to insurance rates, and when you recall the discussion around the government's program statement it was our deputies who were the most active. We regularly address parliamentary inquiries to the government and of course have intensive contacts abroad. Last December I was the first to bring news from Moscow that Hungary is purchasing arms worth \$800 million from Russia, the first to bring the information that Russia would have objections to Slovakia joining NATO, the first from Slovakia to be received by President Clinton.

[Zelenayova] So how would you rate yourself? Some of our categorical statements are rather hard to accept.

[Carnogursky] I admit that I have a professional deformation which I acquired as an attorney, that I always had to stick to the facts, weigh matters realistically, and pay less attention to the theater that one has to make around them.

[Zelenayova] But a politician cannot neglect the effect of the way in which he conducts himself.

[Carnogursky] In politics theater pays off sometimes but frequently also exacts a price. I believe that Slovakia has enough politicians who are good at theater but Slovakia also needs politicians who will stick to the facts.

[Zelenayova] But this obviously loses voters to your movement. Results of the most recent elections supply a clear proof. What are you going to do about it?

[Carnogursky] KDH simply always tells the truth. KDH was ahead of Mr. Meciar in recognizing and also stating publicly that the then existing state powers arrangement did not suit Slovakia and we engaged in a search for a solution. KDH rather than HZDS realized that a confederal arrangement is unrealistic and unachievable. Telling the truth is sometimes unpleasant and may result in losing supporters, but telling the truth is the only guarantee for Slovakia, in that if it should face a crisis, someone will find a way out of it. Presently we are witnessing internal dissension within HZDS and a decline in that movement's popularity and support. Prime Minister Meciar has been unaccounted for for almost a week. And this at a time when the currencies were separated, when a president is to be elected. For now we are just about surviving. But what if Slovakia gets into a situation when it will become necessary to adopt also unpopular decisions and there will be no one to adopt them? The patriotism of KDH is expressed by our telling the truth to Slovaks even at the cost of a decline in our popularity, because it enables us to search for answers. But the decline in KDH popularity is not as great as you suggest; rather to the contrary, when we travel around Slovakia to meet citizens, our meetings have the largest attendance of all political parties.

[Zelenayova] But a popularity decline could lead to your failure to get enough votes to bring you into the parliament, thus making it impossible for you to enter politics actively.

[Carnogursky] Christians were the most oppressed under communism, virtually driven underground, and yet they were the only ones capable of organizing a candle vigil, organizing hundreds of thousands to sign protests and hundreds of thousands to participate in processions. Surely the conditions are different now but Christians, as also Christian Democrats, simply proceed from a longer perspective than the period between one public opinion poll and the next. Whether Slovakia needs a truthful perception of its situation, as well as a truthful word about it, its citizens are fully entitled to make their own judgment.

[Zelenayova] So you are not afraid that as a political force you might disappear from the scene?

[Carnogursky] No. After the most recent developments within HZDS, not at all.

[Zelenayova] Aren't you relying more on the rival's incompetence than on your own constructive policy?

[Carnogursky] Look, developments have vindicated our policy, and we will gradually learn doing the theatrics around it.

[Zelenayova] For the first round of the [presidential] election you proposed on behalf of your movement a

relatively unknown political personality. Why? After all, it was clear from the start that Mr. Neuwirth's candidacy cannot generate broader support. Why did you abstain from being a candidate?

[Carnogursky] By putting forward Mr. Neuwirth as a candidate we sought to raise the bar a president of the Slovak Republic would have to hurdle and I believe we have succeeded in this. By his erudition, scientific work, courage through the many years of his imprisonment, by his warm nature he has confirmed it. That he was not known to the public merely suggests what warped criteria for evaluating politicians we have had until now, and also what the journalists have to catch up with.

[Zelenayova] And about your candidacy?

[Carnogursky] It is clear that I would not have a chance of being elected and besides I am the party chairman and simply am not for now a candidate for the presidential office.

[Zelenayova] Am I to understand it as meaning that there might come the time when you will be a candidate?

[Carnogursky] Everything is possible but that time could come only in completely changed political conditions which right now I am rather unable to visualize.

[Zelenayova] Do you believe that you are unacceptable to the HZDS in particular?

[Carnogursky] To the HZDS for sure, but I suffer from no illusion that I am sufficiently popular.

[Zelenayova] How do you think your deputies will conduct themselves in the second round of voting for president? You have already had talks with Michal Kovac and I know that no "partisan" conclusions emerged from them. But again this is a key moment in the life of Slovakia.

[Carnogursky] We still have not adopted a definite stand, we will do so only today in the club of deputies because life shows every solution has its pros as well as cons. The argument in favor of electing a president is that in this situation it would be better to have a president. This would conclude the formation of Slovakia's constitutional authorities. The argument against however is that if it is to be just any president, such a person might easily fail in a crisis situation.

[Zelenayova] Do you assume that Mr. Michal Kovac could fail?

[Carnogursky] I do not assume anything; the issue is having the constitutional authorities cast more broadly.

[Zelenayova] Let us assume that on 15 or 16 February Slovakia will have a president. Are you as KDH capable of engaging yourselves actively in politics through the person of the president?

[Carnogursky] Yes, of course, and this I have already stated that if Mr. Kovac is elected president even without our votes we will in any event respect him and offer him support.

[Zelenayova] I did not mean only support for the president but whether you will endeavor to press for policies beneficial to Slovakia also through the person of the president?

[Carnogursky] Yes, even though the question is premature.

[Zelenayova] So let me ask the question differently: whether you as a movement might want to shift from opposition toward a constructive position, say, a coalition. Because all political subjects ought to share a common goal.

[Carnogursky] I do not want to repeat myself but wherever we go we ask support for Slovakia. But if Slovakia should continually swim only on currents which happen to be in fashion it will keep losing its shirt.

[Zelenayova] Your movement is known for a rather good understanding with the Hungarian political spectrum which creates the impression that you have an anti-Slovak bias.

[Carnogursky] Only those are anti-Slovak who view understanding with the Hungarian political spectrum as anti-Slovak. It's just so that KDH is capable of discussing any problem with anyone. And that includes Hungarians as well.

*** Pros, Cons of Slovak Independence Weighed**

93CH0393A Bratislava KULTURNY ZIVOT in Slovak
17 Feb 93 pp 1, 6

[Article by Prof. Miroslav Kusy, Trnava University: "Losses and Gains"]

[Text] Some things can be divided according to a two-to-one principle, others according to a territorial principle, but something simply gets lost in this business of dividing. On the other hand, though, something somewhere will be our gain. The period of losses and gains will be with us for some time to come, we will have plenty of time to ponder the losses we had not expected and the gains that will not please us. But there is now also a bundle of losses and gains about which we already know. It will not do any harm if we try to draw up a preliminary inventory of them.

What Have We Lost?

—A civic state. After November 1989 the Czechoslovak federation became a democratic civic state. On the federal level we all became federal citizens, in which no emphasis was placed on our Slovak or Czech, Hungarian or Romany nationality or ethnic background. Federal authority became the guarantor of

applying the civic principle in this state. With liquidation of the federation this higher civic principle recedes into the background and its place is manifestly taken by the national principle; it is on this principle that the successor national republics are built: the Slovak expressly (see the SR [Slovak Republic] Constitution), the Czech implicitly.

—A substantial part of the motherland. To many Czechs and Slovaks the whole of Czechoslovakia was their fatherland. These Slovaks are losing two-thirds of their fatherland, these Czechs are losing one-third of their fatherland.... On a major part of their former fatherland's territory they become foreigners, will be subject to rules applicable to foreigners. They will feel here similarly as Czech-Americans or Slovak-Americans who come here once in a while to take a nostalgic look at their former homeland.

—A Czechoslovak identity. Every native-born inhabitant of Czechoslovakia passed through an identification process with his fatherland and became a Czechoslovak citizen. To many citizens their Czechoslovak identity was their priority civic identity; they refused to submerge it to their identity based on nation or nationality, language or religion. They are Czechoslovaks speaking Slovak, Hungarian, or Czech, Czechoslovaks of a Catholic or Protestant faith and they do not want to be first and above all Czechs or Slovaks as such. The demise of the federation takes away from them the Czechoslovak identity and forces them to identify themselves by nation. At a conference in Ohrid I witnessed a picturesque scene: Many of its participants from the former Yugoslavia vehemently refused to register as Serbs, Croats, Macedonians, and the like, and insisted on their Yugoslav identity. Will Czechoslovaks too remain among us as a similar relic of our Czechoslovak past?

—The good image of CSFR. Already during the time of the First Republic Czechoslovakia enjoyed a good name throughout the world. It restored its name very quickly after November 1989: We were a country carrying its weight in the world, about which it was known that it has high standards and can be depended upon. Part of our good name also was our commercial trademark: Made in CSR. It takes decades to build up such a good image of a state and its trademark. What we have achieved in this field now has to be kissed good-bye by both republics and started from scratch. It will not be soon and it will not be easy to reach the level of the former Czechoslovakia's good name and good trademark.

—Geopolitical security. It took Czechoslovakia a rather long time to become securely anchored in the new geopolitical area that resulted from World War I and to earn its place in the sun with all its neighbors. This old geopolitical security has now ended, the successor states must build their own geopolitical securities from scratch.

- The East-West link. Czechoslovakia was excellently positioned to link East and West. It represented an advantageous west-east bridge and a solid facilitator in East-West relations. All this has now gone. The Czech lands are losing their direct connection to the East. Slovakia is losing a substantial, very important part of its connection to the West. Both republics will have to build new links, countries that made use of the Czechoslovak "bridge" and Czechoslovak facilitator services will have to seek substitute avenues.
- A country of two European watersheds. Czechoslovakia was a country of both the Danube and the Labe [Elbe]. These two important European river connections linked it with a number of countries along their length, as also with world seas both south and north. The Czech lands are losing the Danubian link to the south, Slovakia the Labe link to the north. We are depriving ourselves of a unique link between the Baltic Sea and the Black Sea through Czechoslovak territory.
- A common economic, political, and cultural space by means of which the Slovaks, through their economic, political, and cultural activities could reach beyond the boundaries of Slovakia proper, and Czechs beyond the confines of the Czech lands. This entire space was accessible to their activities directly, for instance in the form of a common market, a common cultural background, a common political scene.... Both successor states will have to organize their own pared-down, diminished space.
- Common links of communication, this not only in transport, communications and technical terms but also human, cultural, media, and others; these connecting webs filled the common Czechoslovak space and mediated in it the interhuman, intercultural, economic, and political relations. Both successor states will have to create their own internal and external communication networks.
- The federal lever, both economic and political, which could be applied at moments of acute need (floods, unemployment, ecological disaster, refugees...). A concentration of federal means to deal with untoward consequences of this or that occurrence or "for emergency purposes" was advantageous to both sides; with its help it was easier to manage unforeseen situations.
- Federal guarantees for all kinds of minorities and special groups on one or the other side: these federal guarantees were invoked for instance by minority nationalities, religions, and others not fully trustful of the respective national republic, the good will of its political representatives to resolve fairly the problems that come up. Federal guarantees were designed to prevent violations of civil rights of members of various social groups, of collective rights of the minorities. With the demise of the republic these federal guarantees expire, therefore making the minorities feel threatened much more than within the federal union.
- Federal tolerance. Living together in a federation compelled the Czechs to respect certain Slovak peculiarities and vice versa. Czechs were learning to tolerate the national principle in Slovakia and Slovaks the civic principle in the Czech lands. The federation balanced out the Czech Eurocentrism with the Slovak "home-centered" outlook, the technocratic view of economic reform with a social view of it, the radicalism of certain Czech undertakings with Slovak caution in pressing them. With the demise of the federation we will lose this permanent unavoidability of mutual tolerance, the consequence of which will be a radicalization of a number of political positions.
- The federal media. Here we are talking about the mass media, the most influential and most easily accessible to the citizen: the federal radio (station Czechoslovakia) and federal television (F1). It means a substantial impoverishment of media choice in all genres, especially in TV programs. This impoverishment is even more grievous considering that over most of Slovakia's territory it is impossible to receive the Czech national signal and over most of the Czech territory the Slovak national signal, so that F1 was the only common federal signal that could be received in both republics. This is absurd when we realize that we can receive without any problems television stations of all our neighbors (Hungarians, Austrians, Poles, Germans) and by satellite we already have TV connection with virtually half of the world: except the nearest, linguistically the most accessible neighbor!
- The revolution. Victors of the 1992 elections liquidate together with Czechoslovakia also the entire legacy of the November 1989 revolution: the revolutionary program, as well as the revolutionary team who were its bearers. To them both were untenable because based on the concept of a common state of Czechs and Slovaks. The regime which emerged from this revolution is branded contemptuously a "former" regime by Prime Minister Meciar, by which he places it on the same level with the discredited, outworn totalitarian regime. Just as contemptuously Prime Minister Klaus speaks of the revolutionary team as a band of incompetent intellectuals. This is not just our discovery. Adam Michnik notes the same tendency in all post-communist countries. The revolution was made by dissidents. Someone like "Vaclav Klaus never was a dissident, thus also never exposed to the trials, repressions, and blandishments flowing from the position. Today Klaus takes pleasure in reproaching people from the democratic opposition for ungrounded idealism or leftist naivete" (The Devil of Our Time, LISTY, June 1992).

What We Have Gained

- Geopolitical insecurity. Together we were more than one plus one: We represented a certain generally recognized mark of quality. Each republic must establish itself anew, find its place in the historically given geopolitical space. One cannot expect it to happen

automatically: It will take some time before our neighbors recognize us in this new geopolitical position.

—Two autocratic regimes. Until the end of the common state both election victors kept one another in check by joint negotiations and mutual constraint, as also through federal institutions (federal parliament, federal government). From now on, however, they will govern much more freely because the federal constraints have fallen away. Meciar no longer has to look at Klaus every time he takes a step, and vice versa. Both leaders now view it as a relief. It enables them to build up autocratic regimes: Mr. Meciar is assured of a more than 50-percent majority in the Slovak parliament and absolute majority in the Slovak Government. By dividing the federation the prospects for autocratic regimes in both republics have increased substantially.

—Strong national republics. From the communists we took over the totalitarian type of a centralist federal state. After the revolution its powers began to be curbed by the national republics which gradually assumed the basic parcel of federal powers. But this was merely a shift from the federal center to the national centers. As a weak (minimal) federal state was emerging, strong (maximal) republican states were becoming its opposite poles. But as long as the federal roof remained in existence it curbed to some extent the all-power claims of the national republics. With it removed we see the emergence of two states of a "strong hand," two powerful "protector states" with a tendency toward restoring state paternalism which already now is clearly noticeable (especially in Slovakia). We can expect a substantially larger measure of state intervention than was the case up to now. The only protection against it can be a new round of decentralization, this time from the national republics to regions, towns, and communities, from state administration to self-administration.

—Significantly larger minorities. The 600,000-strong Hungarian minority represented barely 4 percent of the population in the federation but for an independent Slovak Republic it increases to nearly 12 percent. The weight of this minority is increasing notably, not to mention its radicalization caused by insecurity stemming from the new state arrangement. But the same applies to the Czech Republic where we see a new issue arising: the Slovak minority in the Czech lands. Its size of between 300,000 and 600,000 represents 3 to 6 percent of the Czech population. This minority which "for now does not conduct itself as a minority" (Jaroslav Valenta, "Slovaks in the Czech Lands," *LIDOVE NOVINY* 15 October 1992) may be misused as a "fifth column," its nationalism radicalized, instilled with anti-Czech sentiment: Attempts in this direction are already being noted. In addition there is also another legitimate self-realization process involving the Moravian and Silesian nation (or nationality?). When we add the other minorities—Romanies in the Czech lands (30,000 acknowledged,

estimates run much higher), Poles (60,000) and Germans (50,000), in Slovakia Czechs (60,000), Romanies (90,000, estimates many times higher) and Ruthenian-Ukrainians (30,000) and the substantial increase in their relative weight, we see that the federation's splitup has created a qualitatively new situation. Within the federation the Czech lands were for all practical purposes a single-nation state; now it is changing into a multinational (nationality) independent state. In Slovakia the importance of the Hungarian minority has increased qualitatively. In this context one can see much more clearly the inanity of the nationalist justifications for breaking up the federation: (1) "The national state may be smaller but it will be ours, Slovak!" That is a lie: In the independent national state Slovaks have a smaller share than they had within the federation; this state therefore belongs to relatively fewer Slovaks than it did in the federation. (2) "An independent Slovak Republic will be a national state of Slovaks to a greater degree than it was in the federation." That too is the same lie: It will be that to a lesser degree because the relative proportion of the minorities will be significantly increased.

—*Gastarbeiter* [guest workers] as an important social group. Thirty-one thousand Slovaks commute to work in the Czech lands. They are becoming a problem for the Slovak Republic (being its citizens) as well as the Czech Republic (they work in the Czech lands). This problem may become explosive at any moment: "The Czechs will probably be unable to guarantee statutorily a free movement of labor across the Slovak frontier" (Vl. Kusin, "Notes on the Czech State," *LISTY* 6/92).

—The problem of more than a half-million mixed marriages. Until now there was no problem. Czech-Slovak marriages were viewed as a wholly ordinary matter. With the breakup of the federation this problem finds its ever more sensitive reflection among all members of these mixed families. Their common Czechoslovak identity is being lost; the national identity now being offered them, however, tends to divide families. The husband should be a Slovak as distinct from his Czech wife; children are to identify themselves by nationality as distinct from the father or mother. The reader poll in *MOSTY* is testimony to the depth of these family problems.

—Self-determination, independence, sovereignty. This is an illusory gain since Czechoslovakia already had been an independent and sovereign state. The present independence and sovereignty are at most divided into two parts: a one-third part and a two-thirds part. Smaller is less independent, less sovereign than larger. Slovakia is one-third of Czechoslovakia not only in geography but in geopolitics as well.

—Our own national economy. This is the same kind of gain as in the preceding case: the federal economy is divided in a two-to-one ratio, thus the value of the national economies represents two-thirds or one-third

respectively of the original federal economy. Yet their actual value will remain still significantly lower because the sum total of the remainder value of the two divided, pared-down parts will never amount to the value of the original whole.

—Our own state. This too is an illusory gain because Czechoslovakia was a state which the Czech and Slovak nation had chosen as their own. While each nation has a right to self-determination, it is not the same as a right to its own state. Self-determination is the goal, separate statehood is only one of the means of attaining this goal. A national movement which sees the demand for a separate state as its final goal is a movement without a future: By attaining this goal the purpose of the national movement is fulfilled, which leads either to deification of the state or demise of the national ethos. Both are equally pernicious for the nation. Moreover, one's own national state is not in itself a guarantee of quality: We already once had such a state against which the nation rose up because it did not regard it as its own.

—We will govern ourselves. Another fiction. Really, in the new national republics the Czech or Slovak nation will not govern the slightest bit more than they "governed" in the federation. Indeed, it is not the nation that governs here but rather a victorious political party which garnered 37 percent of the vote (not only of Slovaks) in the Slovak republic. Thus we are governed at most in the name of 37 percent (for all practical purposes substantially fewer) of Slovak voters. And it is in fact fewer than a hundred people governing here in their name: This is the actual fulfillment of the nationalist slogan "Let us govern ourselves!" The Slovak opposition is an equally legitimate part of the nation as the governing group.

—A feeling of satisfaction with the "final solution" to the arrangement of government powers in the CSFR. Nowhere does one see an indication that such a feeling is anywhere dominant. The most recent public opinion poll in Slovakia for instance shows that among the responses to the breakup of the federation the most frequently cited feeling was one of uneasiness (56 percent), with fear in the second place (40 percent) and only in the third place a feeling of freedom gained (33 percent). (Permanence and Change in Slovakia, Sociological Research, ISS FM Komensky University, Bratislava 1992.)

* Kosice Seen as 2d Political Power Center

93CH0420A Bratislava KULTURNY ZIVOT in Slovak
24 Feb 93 p 7

[Article by Tibor Ico: "Second City—The Background of the 'Specific' Position of Kosice"]

[Text] Although it may seem that the victory of the candidate representing the right-wing coalition formed by the KDH [Christian Democratic Movement], the ODU [Civic Democratic Union], the MOS [Hungarian

Civic Party], and the ODS [Civic Democratic Party] in mayoral elections in Kosice is a local issue, the decision of the citizens-voters in the second largest Slovak city has a somewhat different significance. It is said that the people of Kosice have taught certain Bratislava legionnaires—who act as leaders of the government on the hustings—as well as all of Slovakia a lesson in democracy. However, the causes of the lack of understanding and disharmony between the two most important cities of the Slovak Republic have considerably more tangled historical, cultural, ethnic, social as well as geopolitical roots.

In sports a second place will always drive the competitor to the brink of despair. In our geopolitical reality, Kosice's perpetually second place in Slovakia is given and culturally and ethnically determined by its historical development, irrespective of the almost forgotten fact that for centuries precisely this city in East Slovakia was the center of the former region of Upper Hungary. Kosice is located in an interesting corner of east-central Europe, in a circle formed by Poland, Ukraine and Hungary. Its situation resembles that of a lonely Slovak hunter abandoned in the vortex of historical storms under the Carpathian peaks, in the basin of the Hornad, Bodrog, and Tisa rivers. The free royal city of Kosice, empowered in the 13th century with privileges granted by King Bela IV, had to be self-sufficient from time immemorial because there was nothing further to the east but a different, strange world of the Orient.

The first appearance of the population of Kosice dates back to the period after the Tatar invasion in the 13th century when colonizers from West Europe were attracted to the hospitable Hornad valley. According to some historians, Flemish immigrants had come to the vicinity of Kosice from the Netherlands already during the early years of the Arpad dynasty in the 12th century. They founded a bustling town where they prospered as merchants, craftsmen, miners, and intellectuals. Although the urbane character of Kosice was the target of various attacks particularly during the era of the so-called building of socialism, it resisted all possible manipulations, raids, wars, plagues, fires, and humiliations, and it also came to grips with modern problems of provincialism which has left certain marks on local citizens.

It was fated that on the first day of this year, after long years of fasting, Kosice turned out to be the second largest and certainly the second most important city of a new state on the map of Europe—of the Slovak Republic. This multifaceted, multicultural, open city, this boundary mark of the Western civilization at the very edge of Eastern culture and on the line dividing two worlds, this particular eastern pillar of Masaryk's unique Czechoslovak program at the foothills of the massive and still somewhat mysterious Carpathian Mountains recently became an important center of an independent state which is already honored with a flag in the UN.

Something of similar importance befell Kosice after the storming of the Jager Castle by the Turks on 13 October 1596 when the Jager bishop and his council moved from that city to our city on the Hornad. Article 38 of the law of 1597 granted the bishopric the power to operate in its new headquarters whose importance was thus enhanced. Instead of the lost signets from Jager, a new, smaller seal was issued to Kosice. To ensure its food supply, the city had the right to collect tithes and tributes in natural produce. The listless life of the bourgeoisie and of the Catholic church in Kosice improved, and moreover, its link with the West was strengthened by the arrival of the Jesuits. Although the history of this unique city on the cutting line between eastern and western Europe continued to take many different twists and turns and in the end, even the Jesuits were tortured to death, the city never lost its character of a remote bulwark of Western civilization. Yet who in Slovakia can today really understand Kosice?

In 1617 the Flemish painter and copper engraver Hufnagel made the first authentic picture of the city based on the sketches of the Belgian painter Van de Rye. The original plan of Kosice and in particular, its landmark, the Gothic Cathedral of St. Elizabeth, are easily recognizable. I think that in this corner of Europe it is second only to St. Vitus' Cathedral in Prague. How could this wealth of artistic imagination and craftsmanship be found under local circumstances?

The history of Bratislava and Kosice differs but nowadays both cities are united in a common state, which should gradually bring both of them closer together.... Nothing is new under the sun. Europe has already lived through even stranger experiences. Nevertheless, the geopolitical area of the metropolis in East Slovakia suggests—and the geographic distance between the two cities determines—specific priorities for the development of Kosice and Bratislava. Their links forged in the past are weak and furthermore, the lack of interest in better lines of communication resulted in certain alienation. Instead of a good highway between Bratislava and Kosice, where all kinds of vehicles should already have been running for scores of years, an expressway was built from Bratislava to Prague. Just as scores of years ago, it still takes nearly eight hours to travel by train in either direction; on foggy days, airplanes do not land here, and thus, the people from Bratislava find it now—and will find it in the future—easier and more convenient to go to Vienna rather than to the faraway Kosice. That is a fact which cannot be helped by nostalgia or fake obsequiousness or empty polite smiles.

The servility on the part of certain artists, adventurers, or careerist bureaucrats from Kosice toward Slovakia's capital city was intended mostly to obtain one of the inhospitable apartments in the Petržalka district [of Bratislava] which only helped make Bratislava look more nondescript. Its weak attempt at Slovak megalomania failed to forestall the alienation of both these largest cities in our state; on the contrary, it made it worse. After the former "Pragocentrism," the concept of

"Bratislava-centrism" sounds especially repugnant to the ears of the residents of Kosice. The cultural-historical and ethnic-social hinterland of both cities is far too different and thus, in their future development one can hardly count on their trouble-free, smooth integration in our newly independent state. Kosice is removed from its sister, Bratislava, not only by a barrier of the 400 km distance but also by a multitude of differences; it must continue to search for an attitude toward our new sociopolitical reality. Geopolitical circumstances as well as its multicultural and multilayered ethnic background intensified by its unique past clearly indicate that it will take a long time to assimilate this multiform entity in the newly demarcated sovereign territory. Slovakia simply was not destined to enjoy life within plain, obvious, historically formed, ethnographically recognizable national borders. At this time, our state which has perhaps inadvertently fallen into our lap is regarded in Kosice as a signal sent from Bratislava. It is a signal for unification and for integration in the new republic created by breaking off—by separation—from a larger body which is seen in Kosice from a completely different perspective than in Bratislava. This signal is somewhat self-appointed and partly misunderstood; it needs thorough explanation, analysis as well as determination, goodwill and civic harmony. In this context, the often insensitive interference with the just emerging recognition of the Constitution on the part of the Kosice citizens, the rough "Bratislava boots" trampling on the indistinct, diasporal, open, worldly, and petty bourgeois environment of Kosice may only prolong the period of transition to Slovakia's integration as a nation and as a state. Whether anybody likes it or not, only a symbiosis of the two largest Slovak cities can guarantee the progress of our state born in complex posttotalitarian conditions—and that cannot be ordered by any decree; that can only be achieved by growth and evolution.

* Difficulties Facing Postfederal Economy

93CH0421A Bratislava MOSTY in Slovak 23 Feb 93
p 5

[Article by Juraj Charvat: "Slovak Republic Starts With a Debt"]

[Text] The agreement on a customs union between the Czech Republic and the Slovak Republic was an effort to maintain the mutual exchange of goods in which both partners have a vital interest. For example, CALEX exported to the Czech Republic 300,000 refrigerators, Slovnaft exported 30 percent of its production, and similarly OTF exported a large quantity of television sets. VSZ [East Slovakia Steel Mills] exports sheet metal to Mlada Boleslav, and in turn needs 1 million tons of coke from Ostrava. Slovakia holds an important position in the production of propellants, chemical fibers, plastics, nonferrous metals, cellulose, trucks, and transformers, in addition to the already mentioned refrigerators and televisions. The Czech Republic holds an important position in many other products.

The currency separation put an end to the internal financial linkages for this mutual trade, and therefore the common currency had to be immediately replaced by other linkages. On 8 February a new agreement between the Czech and Slovak Republics—a payments agreement—introduced a clearing system, which will have two rounds, for obligations incurred before and after 8 February. The first round for obligations prior to 8 February will be closed, and as much as possible also settled, by 15 May. The second round should stay in use permanently; it will be closed once a month and settled within 15 days after the end of the month. So that this condition does not have too hard an impact, a so-called marginal credit was agreed upon in the amount of 330 million ECU (European currency unit), i.e., about 4.5 billion korunas [Ks]. The interest rate is flexible and depends on whether the marginal credit is exceeded (5, 10, 15 percent). The advantage of the clearing system is that payments continue to be made in korunas, and just the national banks will calculate them in ECU. Only the difference in the value of the monthly exports and imports between the republics should be settled in hard currency.

It is difficult to estimate what that difference will be in the first as well the second clearing round, and to whose advantage. The Czech National Bank estimates on the basis of the 1991-92 facts and taking into consideration the expected decline in mutual trade by 10-15 percent (some predict a decline of as much as 30 percent!) that it will amount to about Ks17 billion in favor of the Czech Republic in the second round. If that proves to be the case, Slovakia would have to pay this balance in hard currency. If it does not have that amount of foreign currency reserves, it would have to borrow abroad or devalue the Slovak koruna [Ks] (the devaluation would make Czech export more expensive and thus also smaller), or introduce administrative measures to reduce imports. In such a case, however, it would be difficult to talk about a full internal convertibility of the Slovak koruna, which is at this time the goal of the government and also the collection goal of the Slovak national treasure announced by Matica Slovenska.

How the Debt Came About

The clearing credit of Ks4.5 billion, which Slovakia will certainly draw on, is not the only credit that Slovakia will secure for itself as it becomes a subject of international law. The Slovak Republic also has other debts in the Czech Republic.

1. Slovak banks borrowed from the federal national bank about Ks23 billion. This is money, more precisely surpluses, which Czech banks deposited in that federal financial center. The Slovak National Bank [NBS] will issue 10-year bonds for this amount (at what interest rate?), so that the due date will be deferred. About 10 billion korunas for treasury bonds must also be added to that.

2. At the end of 1992 Slovakia was no longer remitting tax revenues to the federal budget, so that in effect it borrowed this sum, which amounted to about Ks2 billion. If Slovakia does not pay this subsequently, two-thirds of this amount will be charged to the Czech budget. After adding the amounts in 1. and 2. it becomes apparent that Slovakia dipped quite deeply into the federal resources.

3. The Slovak Republic has an internal state debt of Ks15 billion, which represents the deficit of the Slovak state budget for 1991-92 and the Ks4.2 billion in already disposed of public-debt obligations for a comprehensive residential construction. Because Slovak banks do not have enough money to buy the obligations, which are to cover this debt, an effort is under way to change it into a foreign debt.

4. In addition, Slovakia wants to sell government bonds abroad valued at Ks4.5 billion for the completion of Gabčíkovo, and it will also ask the International Monetary Fund for a loan to tide it over during the current difficulties and expenses that arose as a result of the breakup of the federation (the Czech Republic will ask as well).

5. Slovakia will assume one-third of CSFR's debts. Claims also exist, of course, but they are either uncollectible or will be satisfied much later.

Indebtedness Is Increasing

These problems can be summarized in the first weeks of Slovak independence as follows:

1. In 1993 the main problems will not be events connected with Slovakia's subjectivity under international law, but, without question, financial problems and the economic and social problems engendered by them. From the very beginning, Slovakia will be much more deeply in debt than CSFR was.

2. The HZDS [Movement for a Democratic Slovakia] government, whose propaganda did not see any advantages flowing from the federation, in practice acted differently. Even before the birth of the independent state it dipped deeply into the federal resources and secured for itself a few tens of billions of korunas in "start-up money." In this connection it can be said with a certain amount of sarcasm that Czech capital contributed to collections for the Slovak national treasure more than anybody else.

3. These debts result mostly from the need to "put out fires" and patch up holes, and it is not certain that there will be enough loans to patch up everything that needs it.

Lack of Distinguished Economists

Those who take a sober look at the financial situation of the Slovak Republic in the first weeks of its independence cannot but wonder what is the professional level of those top Slovak economists, who often speak in public and are to lead the state into the coming hard times.

The deputy governor of the central bank, M. Tkac, for example, suggested that the Slovak Government "set" the exchange rate of the currency after the separation in such a way that the Slovak koruna would be higher than the Czech koruna (to revalue it). But in one of his propaganda speeches he said that after the independent state was established the Slovak koruna would have an equal chance to be either lower or higher. He cited a psychological-political effect as justification for his proposal. What kind of report card is it on a financier when the prime minister, who is a lawyer and not an economist, quite rightly and downright curtly rejects this nationalistic romanticism.

The chairman of the Economic and Budget Committee of the Slovak Republic National Council, H. Kocutuch, said on Radiojournal, on the basis, he said, of his own experiences during his visit to the United States, that the parity of the koruna's buying power is about 10 korunas to \$1, and again railed at the federation about the exchange rate of 28 korunas to the dollar. We shall see, now that H. Kocutuch will share in making the decisions about the exchange rate of the Slovak koruna to the dollar, what the result will be without the influence of the

federation. His statement that Slovakia is convertible by virtue of the work of its heads and hands reminds one of Marxism-Leninism!

Minister of Economy Ludovit Cernak is right, of course, when he keeps repeating that Slovak production of some commodities has good prospects for export and that it will be possible to benefit from tourism and the favorable geographical location of Slovakia between East and West (but, that is also how Poland and Hungary think of themselves). It must be pointed out, of course, that all of this first requires extensive investments and that in 1993 money for investments is precisely what is lacking.

Czechoslovakia needed several decades to do what it did for Slovakia, that is, build an agrarian country into an industrialized one.

The notion that sovereignty under international law is enough to speed up this process could have taken hold only because a considerable part of the population was not interested in the substance of economic and investment processes, and the preelection propaganda exploited that fact. It is easy to hold forth as the opposition! But when you take the treasury into your own hands....

Foreign Policy Differences in Macedonian Coalition*93BA0639A Skopje VECER in Macedonian
13-14 Feb 93 p 15*

[Article by B.B.A.-B.K.: "A Coalition With Two 'Songs'"]

[Text] *While one part of the government coalition is advocating recognition of the republic, the other, the PDP-NDP [Party for Democratic Prosperity-National Democratic Party] deputies, is making it conditional upon fulfillment of a lot of its demands; only the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party of Macedonian National Unity] deputies' group thinks that the state's foreign policy for the past two years has been a total failure.*

Although more than topical and a subject that does not suffer delay, the discussion of the activities regarding the republic's admission to the UN, raised at the 55th session of the Macedonian Assembly, at the request of the VMRO-DPMNE deputies' group, will have one more continuation—its third. Yesterday's, the second one, was interrupted at the end of the Assembly's normal working day, and the next one is scheduled for Monday.

The discussions presented in yesterday's discussion did not go beyond what had already been heard. The deputies participating in the discussion also "tuned" their own statements depending on which party they belonged to. The deputies from the SDSM [Social Democratic Alliance of Macedonia] deputies' group and the Reformist-Liberals, in commenting on the conduct of foreign policy to date, also tried to give a positive assessment of it. They regularly associated the failures or missteps, which they did not deny, with a reflection of domestic politics, thinking that we have been a bit occupied with it, and it was precisely this that contributed to the external problems being resolved unfavorably. The same tone in the discussions was also heard from the Socialists, who fully supported the report, as well as the foreign minister's statement. The other part of the coalition, the PDP-NDP deputies, interpreted recognition in their own way. More precisely, they thought that Macedonia should not be recognized as long as ethnic minorities were not treated equally in the exercise of their rights, in the same way that this is regulated in multiethnic and multicultural areas, as they consider Macedonia to be, after all.

What a considerable number of the previous speakers supported was stated most clearly by the independent deputy Djulistana Markovska, who emphasized and decidedly supported "the name without making compromises with anyone whatsoever, and in this respect there cannot be any division between regime and opposition."

The VMRO-DPMNE deputies had completely opposite views from the positive ones expressed by part of the coalition. They thought that the two years' involvement in foreign policy conducted by President Kiro Gligorov

and Minister Denko Maleski had been a total failure, and after Edinburgh and the present initiative for admission to the UN under the name "former Yugoslav republic of Macedonia," it was completely devalued. Ljupco Georgievski thought in a rather long statement, to the lowest, humiliating position. He cited as the elements that led to that failure "the long-standing unclarified position of the Macedonian leadership as to whether they want an independent Macedonia or whether they will save Yugoslavia, then the distorted reporting in the news media, which have portrayed the failures as successes, and finally, the Lisbon Declaration and the enthusiasm about the world's fictitious sympathies with our wise policy, which has not yielded results."

He also spoke about the absurd conduct of the government coalition, part of which is in favor of recognition, and the other part of which makes it conditional upon prior fulfillment of the "160 conditions." As far as the name is concerned, it is amazing to him that after the statement by the president of the UN Security Council and the reaction from the Greek government, the Macedonian government has not yet announced its own position. The very fact that the Council has discussed the temporary name tells him that it has indirectly given its approval, and as arguments in support of this he cited the arrival of UNPROFOR [UN Protection Force], and Macedonia's admission to the European Bank for Reconstruction and Development, which was done under the name "former Yugoslav republic of Macedonia." Georgievski explained why this name was not acceptable, and the biggest danger from it is that it directly pushes us into the Federal Republic of Yugoslavia.

[Box, p 15]

Suggestion

Ljupco Georgievski, in addition to the other suggestions for conducting foreign policy more successfully, also gave the following one: "The government, this very morning, should provide the five ministers of Albanian nationality with a vehicle. With it, they should go to Tirana and ask President Sali Berisha to recognize Macedonia. I am convinced," Georgievski said, "that in the shortest possible time they will obtain this. After all, this is their moral obligation, to contribute at least one recognition of Macedonia."

Constitutional Court Judge on Duty, Legal Processes*93BA0638A Skopje VECER in Macedonian
13-14 Feb 93 pp 6-7*

[Interview with Dr. Filip Lazarevski, Macedonian Constitutional Court justice, by Todor Naumcevski; place and date not given: "The Legislators Are Striking at the Laws!"]

[Text] *Although laws are being passed by the parliament, in filing a motion with the Constitutional Court one of the representatives has objected to as many as nine laws. Various complaints to the court can only harm democratic processes.*

The Constitutional Court of Macedonia, whose constitutional duty is to "protect the Constitution and legality," and whose rulings are "final and unappealable," has worked at full steam for the past year. Individuals who, for one reason or another, were dissatisfied with the laws or believed that someone was somehow threatening the rights and freedoms of man and citizens, as stipulated in the Constitution, sought redress with the Constitutional Court, while the nine justices were always prepared to rule in favor of the Constitution. A number of problems and dilemmas crossed the paths of the Constitutional Court. A number of laws, stipulations, resolutions, and agreements have been violated or annulled as a result of the (dis)satisfaction of various individuals. Meanwhile, the flow of appeals to the Constitutional Court rushes on....

Such was the topic of our discussion with Dr. Filip Lazarevski, Macedonian Constitutional Court justice.

General Complaints

[Naumcevski] Did the Constitutional Court have its hands full last year?

[Lazarevski] I cannot quote you a figure. The number of cases will be determined when we draft our annual report on the work of the Constitutional Court. Meanwhile, the overall impression of the justices may be reduced essentially to two remarks: The first is that there has been a substantial shift in Constitutional Court protection while assessing the constitutionality of laws and regulations and other governmental acts. Thus, for example, over the past six months there has been no meeting of the Constitutional Court without putting the government or one of its ministries "on the carpet" concerning laws, regulations, or other acts they have issued. The second particular feature is that Assembly representatives give a very low rating to some of the laws. One of them even filed a motion disputing nine separate laws! Everything must be considered, but, above all, this should be done by the parliament, which also has the constitutional duty while passing laws to take into consideration their consistency with the Constitution.

[Naumcevski] According to the Constitution, the resolutions of the Constitutional Court are final. What does this actually mean in practical terms?

[Lazarevski] The constitutional stipulation of the finality of the Constitutional Court rulings means a commitment by all subjects of the Republic affected by them to implement said rulings after their publication in SLUZBEN VESNIK. There is no legal means for requesting a review of such rulings. Furthermore, if some of our resolutions are not carried out, in accordance with its agenda the Constitutional Court has the right to

demand of the government to take the necessary steps for the implementation of said Constitutional Court rulings.

[Naumcevski] The Constitutional Court issues rulings on abrogating or annulling some laws, regulations, acts, and so on. One such resolution on annulling (the price of electric power) caused a certain confusion among the public and even a reaction in some political parties.

[Lazarevski] The question of the legal consequences of annulling or abrogating resolutions by the Constitutional Court is entirely clear from the legal aspect. Annulments have a legal effect as of the day of their publication in SLUZBEN VESNIK. This means that they apply only to the future or, in other words, in the case of isolated acts such a resolution has no legal effect. In the case of an annulment resolution, anyone whose rights were harmed on the basis of a final or legal act based on an abrogated law or any other stipulations may request the abrogation of this act on the part of the authority that issued it, within a period of six months following the publication of the resolution of the Constitutional Court. If the consequences cannot be eliminated by abrogating this act, the Constitutional Court may rule their deletion by other means (restoration of the status quo, or compensation for the damage). This means that such resolutions may also be retroactive. As to whether a court resolution would be one of abrogation or annulment will depend on established principles and criteria that, once again, are based on the protection of the Constitution and the legal order as a whole (if the damage has been comprehensive and gross) and the extent and size of the damages in exercising the rights and freedoms of man and citizens.

Arguments Are the Only Trumps

[Naumcevski] Are the resolutions of the Constitutional Court unanimous?

[Lazarevski] As an institution in which resolutions are passed on the basis of unanimous and majority vote, it is normal for the court in issuing a resolution to include separate views. On the basis of a comprehensive and well-argued ruling by an individual justice who may have his own view on the constitutional and legal aspects of an issue, it is normal that sometimes the dissenter does not change his arguments and views. There is nothing wrong with this, both from the viewpoint of the quality of the ruling as well as its social aspect. The power of the ruling is found in its presentation and argumentation on the basis of which it was reached. Actually, a majority ruling is the practice followed by all constitutional courts and, in general, all courts throughout the world.

[Naumcevski] The function of the justice is incompatible with his membership in a political party. Do some parties exert pressure or influence the work of the court?

[Lazarevski] I can say with full responsibility that I, personally, have never felt such a pressure. Furthermore, I can point out, based on the volume and nature of

debates in the court, that such an influence has not been detected by any of my colleagues.

[Naumcevski] In one case the Constitutional Court ruled on the constitutionality of the program of a political party (NDP [National Democratic Party]) and resolved that some articles in its program were unconstitutional. Where does the jurisdiction of the court end? And who must "carry out" its ruling?

[Lazarevski] In accordance with its constitutional authority, the court passed a ruling with which it noted that some parts of the programmatic stipulations of the political party violated Article 20 (Paragraph 3) of the Macedonian Constitution. Bearing in mind that we were dealing with a specific political act, with that ruling those parts of the program must be considered invalid. This means that any activity on the part of the political party, based on the annulled programmatic stipulations, is considered as violating the Constitution, and that the authorities in charge of overseeing the legality of the activities of political parties must take the necessary legal steps. This is the duty of the respective courts and the authority in charge of registering political parties.

A Bad Service

[Naumcevski] Regardless of any ruling, some political parties know how apply some "attributes" to Constitutional Court views.

[Lazarevski] I would like to believe that a good percentage of such comments are the result of lack of understanding and of the difficulties that stem from the different meanings attributed to some constitutional categories and institutions, which normally appear whenever society faces basic and radical changes. It is precisely under such circumstances that there are inevitable differences in the views and understanding of individual constitutional categories and means of resolving current political and practical problems. Actually, this is quite clearly illustrated by the debates in the Macedonian Assembly. In that context, it is not exclusive either for the Constitutional Court to be viewed as existing as a function of daily vital problems of the people or be considered from the viewpoint of the current interests of a given political party. If such is the case, through its rulings the Constitutional Court will always be harming someone's current political or other interests, including those of the Assembly or the government. From this point of view, the resolutions of the Constitutional Court will never please everyone without exception. Therefore, any labeling of the Constitutional Court is an indication of a sense of measure and, if you wish, of the level of political standards and the attitude of various individuals and authorities within those parties in publicly criticizing and commenting on the work of individual constitutional institutions. I believe that in any case this would mean rendering a bad service to the democratic processes in ascribing to the Constitutional

Court a variety of attributes, instead of commenting or arguing on the basis of arguments or counterarguments concerning its rulings.

Constitutional Tactics or...

[Naumcevski] The court is overburdened by the need to resolve a variety of issues. However, does this justify the frequent slowness with which cases are considered?

[Lazarevski] Your remark is voiced more frequently by the information media. However, it ignores at least two objective aspects. Under the conditions of a very brief and principle-oriented Constitution, and the absence of systematic laws that would make operational some of the basic constitutional principles, objectively, the Constitutional Court would consider it sufficient to express the objectives and confines of these principles also under the circumstances of the so-called transition in the legal order and try to settle issues in accordance with the contemporary achievements of the constitutional-legal and, in general, the overall legal doctrine concerning some constitutional problems in the Republic. You must agree that this requires a certain amount of time and research. Second, the tremendous disparity between constitutional standards and the legal order based on the old Constitution objectively puts the Constitutional Court in a position of plugging some legal loopholes without abandoning its own constitutional status and function.

[Naumcevski] The latest "case" involving the Law on the Sale of Public Property and your ruling on taking the initiative of testing its constitutionality triggered a misunderstanding in the public.

[Lazarevski] I believe that the decision of determining the constitutionality of some aspects of that law quite clearly and substantively includes all aspects of related issues. I think, however, that the so-called misunderstanding originates elsewhere: Its comes from competitive individuals or other interests favoring different interpretations of that law.

[Naumcevski] The resolutions of the Constitutional Court are final. What guarantees that they are the most accurate?

[Lazarevski] I must confess that I as well as most of my colleagues do not nurture the illusion that our resolutions proclaim the "final truth" in this state. Actually, the rulings of the Constitutional Court do not mete justice in the classical meaning of the term. They merely express and ensure the fact that the law and other regulations considered by the court are or are not consistent with the Constitution and the legal order in the Republic. As to whether this law or regulation is "right," or complete, or else is a function of the current requirements of real life, this is the work of the Assembly and the other subjects constitutionally authorized to settle relations and apply said regulations.

History of Macedonian Elections, Ethnic Blocs

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4 Feb 11 Feb 93

[Article in three installments by Slavko Milosavljević]

[28 Jan pp 34-35]

[Text]

Communists and Reformists Were Not the Same

The 1990 parliamentary elections in Macedonia still have not been adequately analyzed, and their effect certainly has not been entered into the "computer" of the world history. In this issue we publish part of the author's study "Eastern Europe Between Egalitarianism and Democracy." It takes up the question of how the communists were transformed and why no "left bloc" coalition was formed on the eve of the elections.

The first political party map of Macedonia is being created in the process of a veritable revolutionary democratic reversal. On one side are two polarized blocs of ethnic political parties, and on the other several bourgeois democratic political parties with similar political programs and mutually confrontational party leaders. The two ethnic blocs, which challenge each other on the basis of the slogan "one's own ethnic group above everything," have this basis as the beginning and end of every one of their political initiatives. Of course, in Macedonia as in the developed West, a political party that would disregard the vital interests of the country in which it lives and from which it wants to draw its energy is inconceivable. But in the modern world, from the practical and historical viewpoints, the political programs and political parties that take into account the entire array of political conditions in which their ideas are realized have a much better chance of succeeding. And these conditions imply the existence of other nations around us, of other ethnic groups around our ethnic group, who also have positions of their own regarding their own interests and "our" interests. Now, reconciliation, dialogue, and sometimes compromise are needed for a peaceful life. The simple but notoriously insensitive, essentially historical archconservative slogans under which mobilization of ethnic political energy has been accomplished on both sides are hard to believe. The Albanian leaders promise the Albanian masses a "Greater Albania" in which there will be no place for "Slavs," those "age-old enemies of the Albanian people," while some leaders of Macedonian ethnic parties promise Macedonians "cleansing of the Albanian population in Western Macedonia," playing on the ethnic danger to the Macedonian people and diverting their attention from the authentic, real historical problems.

At this time and in this context an important phenomenon diverts our attention and will divert that of future investigators. It is a question of the "transformation" of the SKM [League of Communists of Macedonia] from a

political party of the Bolshevik type into a democratic political party of the social-democratic variety. And at the time this was a highly important, perhaps the most important, thing in and for the political life of the Republic. The SKM was still the party in power, holding all the important positions, and was able, at the least, to slow down the incipient process of democratization of the country and of society. Its decisive support of rapid enactment of the law on political association and organization and on exercise of absolute tolerance of all options (of organization), up to the time the law was passed, showed that its leaders were decidedly in favor of radical changes. It is true that the local organizational units were somewhat confused (in Tetovo, for example, one year after the change in name, there was the sign on the municipal organization building reading "Municipal SKM Committee," and the constituent meeting of the SDPM [Social Democratic Party of Macedonia] for Tetovo was held at the House of Culture in Tetovo with several armed policemen "present," naturally without the approval or consent of the national and municipal SDPM leaders, with the result that the future president of the SDPM filed a protest with the president of the Assembly of the Republic of Macedonia) and caused some trouble locally, but in Skopje the process of formation of the new political parties went ahead very smoothly.

Another sign of resolution to make the change was addition of (PDP) to SKM to make SKM-PDP [League of Communists-Party of Democratic Transformation]. This name was proposed and accepted by one of the first Central Committee meetings after the Tenth Congress, as a compromise between the resolute "reformers" advocating, once again in the name of the party itself, that a social-democratic orientation of the party be initiated and the "dogmatic" faction, which has opposed any radical reforms and whose power has been transferred from headquarters to the local organizations. And, as we know, the party was to change its name at the next congress, in June 1991, after the unsuccessful talks with the current Social Democratic Party of Macedonia about merging and further initiatives under this name. In the meantime, a large number of individuals or "groups" withdrew from the party, or the Social Democratic Union of Macedonia, whose social-democratic leaning and position would not be very familiar to them and would form the SK-Movement for Yugoslavia. Democratic Communist Party, some would end up in the Workers Party of Macedonia, and so forth. This may be taken as another important indication of the real political ideological transition of the SKM to a classic social-democratic formation, something that was also to be demonstrated in subsequent parliamentary practice. And while a certain part was also played in this process by many elements of subjective importance (personal careers, mutual disagreements, and the like), the objective process of social-democratic transformation of the SKM, strongly supported of course by external events,

led to radical differentiation in it, the result being reflected in the formation of new classic communist parties.

Thus, in its first phase the Social Democratic Party of Macedonia, especially before the parliamentary elections, to some extent the Workers Party, on the one hand, and the SKM-DJ (League of Communists-Movement for Yugoslavia), or the Democratic Communist Party, on the other, radicalized the process of social democratization of the SKM-PDP, in its development into a modern political party of the social-democratic type that was to find its place in the social and political structure of the Republic of Macedonia as an independent country. Today, we can confidently say that if after the Tenth Congress of the SKM the new leadership of this party had not resolutely chosen the project of political and economic pluralism, that is, if it had clung to the philosophical positions of the "leading role of the SKM," the Republic of Macedonia could have experienced serious problems in its own general conversion from a "one-party state" to a "law-governed state" and the SKM itself would sooner or later be reduced to a marginal political party of no great importance in the political life of the country.

On the other hand, the real social-democratic transformation of the SKM, the radicality of this transformation, also marked by the change in name, dims the prospects of the new political parties of the social-democratic type (Social Democratic Party of Macedonia, Workers Party of Macedonia), in that they all operate on the same turf, on the same social and political ground, and the Social Democratic Union already has its place on this ground. If it moves away from social-democratic ideas (and its own program) in one direction or another, the space and opportunities for the other social-democratic alternatives grow larger, to the extent that they are really social democratic.

The appearance of the "Reformist Forces" (Ante Markovic) on the political scene in Macedonia caused significant shifts. A large number of SKM-PDP activists, dissatisfied with the pace of transformation of this party into the social-democratic alternative, joined the "reformist forces." In addition, the "image" of Ante Markovic, who as president of the Federal Government succeeded in stabilizing the dinar in 1990, and whose economic policy contributed to a situation such that the domestic market was filled with all kinds of consumer goods, by nudging the market vigorously in the direction of a free market, to creation of opportunities for broader links with Europe, and so forth, has attracted the most active segment of the "middle class," successful managers and private businessmen, like a magnet. Nor have the farmers or part of the workers remained indifferent. The pre-election meetings attended by Ante Markovic on a tour through Macedonia were marked by "abnormally" heavy attendance and the most optimistic possible atmosphere prevailed at them. It seemed that the victory of this party of the voters that had already been appointed for one or two months would be convincing

(but this party in Macedonia then entered a coalition with the Social Democratic Party of Macedonia that was headed by several intellectuals but that up to that time had not managed to exert a wider influence on the "masses"). In addition to the similarity of program, the Social Democratic Party was attracted to the reformists by the energy that as a result emanated from the unquestionable stabilization and reform successes of Ante Markovic's government, and the Reform Forces were attracted to the Social Democratic Party by its name and by the calm and moderate way it behaved in public. This coalition was broken up immediately before the elections because of the disagreements between the leaders of these two parties about division of the pool of candidates for election to the Assembly. This harmed both parties because there would in any event be one strong Social Democratic Party on the political scene in Macedonia today, considering the possible (probable) union with the SKM-PDP (later the SDSM [Social Democratic Alliance of Macedonia]).

Some events in August and September 1990 diverted energy from the Reformist Forces and dimmed their hopes of absolute success, but in Macedonia they nevertheless did not experience "rejection" by the political scene. In the elections the "reformists" won around 15 percent of the total number of the deputy positions and entered the Assembly with 17 deputies.

Such an appearance by the "reformist forces" on the political scene in Macedonia calls for a multitiered explanation. The dissatisfaction with the pace of the reforms proposed and carried out by the SKM-PDP and the failure of the Social Democratic Party to gain a footing or its slow acceptance among broad strata of Macedonian citizens (the population) are at least relevant from this viewpoint. But I believe that enough attention has not been paid to one particular thing in the context of this explanation. I do not want this assumption to be regarded as a lament over something that is now past history, but deeply embedded in the subconsciousness of the Macedonian as individual there has been implanted the realization that as a part of a worthy Yugoslav state he could ensure constant improvement in his living conditions and that this state could already have guaranteed freedom for the country. But the "reformist forces" of Yugoslavia (Macedonia) offered a plan of reorganization of the country that would make its existence during the postcommunist period possible. And later, with and without the "reformist forces," it was found that part of the Macedonian political system did not have a conservative orientation. This part did not advocate preservation of the old structures but was obsessed with real historical considerations based on the geopolitical and historical situation of Macedonia and the Balkans. Chance or special capabilities of Macedonian political figures cannot explain the fact that ideas and proposals for political reorganization of what was still the Yugoslav state came from Macedonia, views that could direct development toward a rational solution and eliminate the dangers of civil war. But this is another subject that I will discuss in a different place.

The appearance of the "reformist forces" in Macedonia is a complex political historical phenomenon from the viewpoint of the historical projections of the Macedonian politician and citizen. The main "protagonist" (Ante Markovic and his group) undoubtedly had different plans for preserving the Yugoslav political and economic area on entirely new political historical foundations, in the interests of all the peoples and citizens, as defined by a historic democratic compromise. Another matter, however, is that the negative energy accumulated in the structure of the old regime, which clung too long to outmoded historical principles, was too strong, and the "reformist forces" suffered defeat in the Yugoslav context. In Macedonia, however, in the light of subsequent events the appearance of the "reformist forces" also had a negative consequence. The presumption is that the appearance of this party in Macedonia complicated the process of organization of the civil democratic parties and their union in the immediate electoral process. These parties acted separately, with at least five or six slates of candidates and only by doing so permitted the election of candidates who came forward with inflexible national(istic) slogans. This is to say nothing of the voters who were disappointed by the inability of the democratic parties to find a common "preelectoral" language, especially with respect to election of their representatives to the Assembly of the Republic. But at that time there was no sense of the strength of the negative ethnic energy, both in the broader Yugoslav area and in Macedonia, confounding all the calculations and predictions.

The outcome of the 1990 elections was decided in the second round, but the results of the "first round" are highly relevant to our analysis. And the distribution of forces in the "first round" was as follows: SKM-PDP 250,000, VMRO [Internal Macedonian Revolutionary Organization] around 150,000, PDP and NDP [National Democratic Party] around 100,000, and the Workers Party around 100,000 votes. The ratio of forces in the "second round" changed chiefly between the SKM-PDP and the VMRO. The VMRO now moved up to first place with around 240,000 votes, while the SKM-PDP dropped to second with around 160,000. The euphoric meetings in Gostivar, Tetovo, and Skopje, at which full expression was given to all the accumulated negative energy of the Macedonians toward the Albanians, and vice versa, took place between the "first" and "second" rounds. Something to remember that really happened was a venomous outpouring of chauvinist hatred on both sides, as if these two ethnic groups had not all along been living in this area "together," determining its fate, more or less, for good and for ill. The euphoria really was frightening; the really strange thing was that at this moment in history there was no bloodbath and that a veritable ethnic and governmental disaster did not occur instead of democratic elections. The records of organization of the preelection meetings in Gostivar, Tetovo, and Skopje are not available to me, but it be confidently be assumed that there was active in their structure a strong matrix having little to do with the history and the

interests of the Albanians and the Macedonians in this historical geographic region.

(To be continued.)

[4 Feb pp 34-35]

[Text]

The Rebirth of the VMRO

The 1990 parliamentary elections in Macedonia still have not been adequately analyzed, and their effect certainly has not been entered into the "computer" of the historical world. In this issue we publish part of the author's study "Eastern Europe Between Egalitarianism and Democracy." It asks why the VMRO-DPMNE [Internal Macedonian Revolutionary Organization—Democratic Party for Macedonian National Unity] was born and whether the political life of an "ethnic" party would continue to be an historic reality and need.

During the first round of elections Macedonians voted on a massive scale for the SKM-PDP. This party continued to be very influential in the second round. It may be assumed that there were certain irregularities in the elections, along with a certain amount of inertia and preoccupation with prejudices surviving from the old regime. But these and similar elements had only a marginal effect on the aggregate result. The result ultimately was an expression of the mood of the electorate, something that in turn implies previous political experience and the influence of the preelection campaign, and so of the events that took place immediately before the elections. The League of Communists of Macedonia—Party of Democratic Transformation was successful in the 1990 elections, considering the overall situation. It was the strongest party in the first round, and the second in strength and importance in the second and in the final outcome. This accomplishment of the SKM-PDP calls for an explanation. The question that should have been asked before all others is this: Does this result not show a sort of traditional affinity of the Macedonian people for communism?

We must not leave out of the analysis the fact that the Macedonian people won their national freedom "under communism" and under it achieved their modern existence as a country. These are historical facts that cannot be easily expunged from the consciousness of a people. Nor may we exclude the socioeconomic element from the analysis. Macedonia is still situated in a socioeconomic zone that is favorable for various utopian projects, and the reality of communism in such circumstances has a certain attraction. On the other hand, though, comparisons must have played their part. The dramatic processes of decay of the communist regimes in Eastern Europe also developed the critical consciousness of the Macedonian people to a peak. Newspapers began to be filled with analyses of the Macedonian communist practice that were also critical, and newspapers were opened to "Macedonian (communist) dissidents," and in this area the green light was given precisely by the

SD-PDP, which at the time was still the governing political party, and a party with a monopoly. Consequently, it is not realistic to exclude the overall communist tradition from analysis of this outcome and to fail to seek at least in part the root of the electoral result in a some of confirmation of the legitimacy of the League of Communists in Macedonia. In the months leading up to the 1990 elections, however, the SKM-PDP was so radically diverted toward its own reform, thus making a noteworthy contribution to reform of the overall political system, that this could not fail to have an effect on the political-electoral consciousness of the Macedonian voter. Hence a large number of Macedonians in voting for the SKM-PDP voted for its current social-democratic orientation. This will also be confirmed later in all supplementary elections of national deputies and of municipal council members for municipal meetings, because the influence of this party on the electorate will be felt to a greater or lesser extent in these elections. And even now it is acting formally and substantively like a modern social democratic party with brief but valuable parliamentary experience.

Two phenomena are today very important elements in the political life and the distinct political character of the Republic of Macedonia, the VMRO and the Albanian political parties, the PDP and the NDP. Understanding of these two phenomena determines how the essential nature and the future of the political fate of Macedonia will be understood and whether they can be understood at all. Even now statements that these two "opposing" parties "nourish" each other, that the two are absolutely dependent on each other, and so forth are commonplaces in every analysis. In this analysis we will proceed from the fact that in the 1990 Macedonian elections the VMRO was "elected" into first place in parliament, and the byelections during the two years since the elections show that it has remained a significant political force in Macedonia. We will also proceed from the fact that the Albanian population voted en bloc for the Albanian ethnic parties in the elections, despite the fact that the programs of several other democratic parties (transethnic ones) have shown the same or even more substantial "concern" for the specific ethnic problems of all the ethnic groups in the Republic of Macedonia. But let us start with the fact of the victory of the VMRO and try to indicate its place in the modern political history of Macedonia. As we know, the history of the Macedonian people in the first half of the 20th century is the history of its political struggles, in which the VMRO, established in 1893, plays either a central or at any rate a very important part. The VMRO first identified itself with the struggle of the Macedonian people against the expansionism and claims of all the neighboring Balkan countries, but also with the struggle for rapprochement and mutual association of the Balkan peoples. At the same time, to put it in somewhat simplified terms, the VMRO was a synonym for internal Macedonian squabbles, both over the tactics of the political struggles and over the question of the fate of Macedonia (supremacists, centralists, VMRO(ob), VMRO(V.M.), and so forth). But at this

time we will not enter this labyrinth of the Macedonian political history of the first half of the 20th century.

The question is that of what the appearance of the VMRO might be toward the end of the 20th century, now that Macedonia has already existed as a country within the framework of a federation and now exists as an independent country (why were we trying in 1990-91 to make Macedonia an independent country, with the historical European and Yugoslav relationships coinciding, although there might be a few foreign policy obstacles and difficulties?). Does this represent a negation, or more precisely self-negation, on the part of the Macedonian people, of the total outcome of its movement toward ethnic self-identification in its existence under international law, over the historical period extending from 1941 to 1990, only because the leading role in this historical process was played by the Communist Party of Macedonia, which even so is leaving the political scene? Does this mean awakening of forces in the structure of Macedonian political life that are much more comfortable with the idea of self-isolationism, reinforced of course in the historical experience of the Macedonian people since the second half of the 19th century and the first half of the 20th century, when Macedonia was a subject of negotiation by neighboring countries at the expense of Macedonian national freedom? Or is it possibly a matter of awakening of certain delusions, from which even the leaders of the old and the revolutionary VMRO were not emancipated, about the authenticity of Macedonian ethnic originality?

In this connection corresponding controversies arose even within the VMRO-DPMNE itself, first the Golubovski-Georgievski dispute, and then the Bogdanovski-Georgievski conflict, and once again the dispute between Panovski and Georgievski. Are the relations between VMRO(DPMNE) and VMRO(MB)-Sofia [expansion unknown] indicative in this context?

Or, again, is it a matter of a natural mass reaction by a people to the dangers that loomed over its destiny once again in 1990, on several sides: Seselj-Milosevic in the north, Mitsotakis in the south, the VMRO-MB in Sofia, and the composite Albanian syndrome represented by Greater Albania and PDP-NDP in the west. I do not propose to enter here into a detailed analysis of this complex of questions and their historical background. For the present I will satisfy curiosity with a fairly general answer, namely, that the main elements of all these questions derive their meaning from the foundation and formation, or rather from the "rebirth," of the VMRO idea, 90 years into the 20th century in Macedonia. However, I am attracted by the option of formulating the assumption that the greater part of the answer is to be found in the elements of the last question. Should this assumption prove to be historically relevant, then the subsequent development of the VMRO over the last decade of the 20th century will be depend on the reality of achievement of the independence of Macedonia, on the real guarantees and prospects of existence of Macedonia as a country in the turbulent Balkans. Regardless

of the immediate outlook, of course, which may be expected to be beginning of a positive trend, the general Balkan situation cannot change significantly within a few years for the Macedonian element, while the political life of an "ethnic" political party will continue to be an historical reality and need. But the relaxation of general Balkan tensions will at any rate weaken the radical elements in the VMRO and will strengthen the VMRO's democratic component. From this viewpoint and in this context, the fear caused among the public by the VMRO "radicals" that "weakening" of the VMRO's political influence will transform it into an extreme terrorist organization appears not to be founded in logic. Within the VMRO itself, its mainstream in the Assembly is demonstrating capability of historical understanding of Macedonian problems at the end of the 20th century. And this also implies understanding that the VMRO will play its part in history, and ensure its own existence, only as a democratic ethnic party. The party that has emerged from the VMRO-Free Democrats (Ilinden) has already initiated such a process in the VMRO, despite the occasional controversies.

The appearance of the Albanian ethnic political parties on the Macedonian political scene is an indication of highly complex and multicolored significance. It will also have consequences that surely will not be ephemeral in nature. What is involved here, of course, is the right of Albanians to organize ethnic parties of their own. If Macedonians can have such political parties, why should the other ethnic communities in Macedonia not be able to have such parties of their own? As minority communities they have a greater need of such parties than do the Macedonians as the largest ethnic community in the Republic of Macedonia, for the sake of "protection of their specific ethnic rights and interests." It would be a different matter if it were to be possible to arrive at a national consensus on definition of a political context for the role and functions of the "ethnic" political parties in general, or again, if a cultural and political climate were to exist in which political parties such as these were to be launched as an historical anachronism. Nor is it a question of an assumption that the Albanian ethnic parties are really so homogenous in their internal structure, as is stated abroad, and that this is frightening for the prospects of democracy in this small geopolitical area termed the Republic of Macedonia. The internal homogeneity of these parties merely shows their assumed (projected) historical role and function. Similarly, it is not a question here of the assumption that the birth and existence of the Albanian ethnic parties is a "response" to the "birth" and existence of the Macedonian ethnic political parties, even though there is to some extent a real basis for the assumption that the ethnic parties collide with each other and their homogenization takes place in direct proportion to the radicality of their "ethnic" efforts. These elements are also of some importance, of course, when it is a question of the Albanian ethnic parties, to the same extent as when other "ethnic" parties are involved. Something should be said here about the elements in the life and initiative of these

political parties, which really cannot be regarded with indifference when one considers peace and tolerance to be elementary requirements for the advance of civilization in Macedonia and the Balkans.

(To be continued.)

[11 Feb pp 34-35]

[Text]

Dangerous Manipulations With Minorities

The 1990 parliamentary elections in Macedonia have still not been quite thoroughly studied, and their impact has certainly not been entered in the "computer" of historical awareness. This issue includes part of the study entitled "Eastern Europe Between Egalitarianism and Democracy." The reason for the confrontation between the Albanian and Macedonian ethnic minorities.

The Albanian national parties have stipulated in their programs that they are in favor of the independence and sovereignty of the Macedonian state, and that within that framework they will struggle for the implementation of the specific national rights of Albanians. The leaders of those political parties have worked hard to include in the Macedonian Constitution that this state is a state for the Albanians as well. Unfortunately, this has met with the strongest possible opposition of the Macedonian ethnics who, dizzied by the euphoria of having a sovereign Macedonian state, have been unwilling to realize that our sovereignty equally applies to all of its citizens, regardless of ethnic origin or religious denomination. For we live in the age of the 20th and 21st centuries, when human rights have been raised to the level of absolute criterion. It is a time in history, both past and present, in which programmatic stipulations cannot remain "dead words on a piece of paper." Macedonia has been experiencing one of the most difficult but also most significant stages in its history, and the attitude of every individual, not to mention that of big political parties, is being recorded at all times, whether consistent or inconsistent with the historical interests of this young Balkan state and its citizens.

Speaking realistically, in some key moments of the development of the situation in 1990-92, the Albanian ethnic parties indicated an attitude that is entirely contrary to their own programs in connection with the issue of the sovereignty and independence of the Republic of Macedonia. They directed the Albanian population not to vote in the referendum for an independent and sovereign Macedonia; in the Macedonian Assembly, their representatives did not explicitly vote in favor of the Constitution of the Republic of Macedonia even during the period of difficult struggle waged by Macedonia for international legal recognition. Conversely, they have opposed it in some cases—think about it—by citing views in the Assembly on conditions for obtaining statehood, for example! I would not like at this point to discuss the political implications of the 1991 population census and its boycott by the Macedonian citizens of

Albanian ethnic origin. All such initiatives clearly indicated the trend followed by the Albanian ethnic parties, which radically departed from the tradition of relations based on tolerance between Macedonians and Albanians in Macedonia and views on the territorial integrity and unity of the state. These are not issues of transient importance but issues that become permanently enshrined within the historical collective memory of the nations! This time the leaders of the Albanian ethnic parties, with the great assistance of the Macedonian ethnic parties, that is true, will be able to claim the credit for having substantially contributed to the development of one of the biggest confrontations between the Albanian and Macedonian ethnic communities and the Macedonian state-legal and geopolitical space. In crucial historical situations such an attitude on the part of an ethnic group is not only long remembered but becomes an element in its historical and moral structure and function. If this had been the pretext for the strategy of the leaders of the Albanian ethnic parties, unquestionably, we could say that their success was total. However, when the Albanians in Macedonia realize that they were the object of a major historical manipulation, it may be too late. A return to traditional interethnic tolerance within the young Macedonian democratic state, whose own historical existence and advancement will depend on its ability constantly to refine the specific national rights of all of its ethnic groups, may become very costly for all citizens of Macedonia. Be that as it may, the state of the Republic of Macedonia can exist with such problems as well. It is not logical to assume that even with such problems life could radicalize the development of the general democratic awareness and coherence of its integral moral and historical structure.

Within such a historical framework, the so-called Turkish factor in Macedonia becomes noteworthy. Even under the old regime, this element or factor was rated in Macedonian policy as stabilizing. The Macedonian Turks do not have (objectively) a matrix that would guide that ethnic community toward separatism; being of Muslim faith, it would significantly reduce the separatist trends of the Albanian national community which, in Macedonia, is also Muslim. However, we should seek more extensively evidence of the dynamics of the problems of that community in Macedonia. Looked at "with the naked eye," we see in recent years the appearance of some problems in the areas of education and information. Furthermore, in parts of western Macedonia, pressure has been applied by the Albanian radical structure in the political and cultural areas. Thus, in the new historical circumstances, the Turkish ethnic community showed all the basic prerequisites for becoming as an even stronger stabilizing factor: That community is totally identified with the objective situation of a state-legal and political independence of Macedonia, as well as the development of its international-legal status (subjectivity). The Macedonian Turks unreservedly voted for Macedonian independence. Such a positive attitude displayed by this ethnic group in the course of state-legal and international-legal development of Macedonian

autonomy was further strengthened by the attitude shown by the Republic of Turkey toward the Republic of Macedonia, Turkey being one of the first countries to recognize this state. In terms of formal-legal recognition, Turkey is one of the countries with a good reputation. In all international institutions it has supported the total international-legal recognition of the Republic of Macedonia. With such a policy, during those crucial moments in Macedonian history, the Republic of Turkey laid the foundations for future relations between these two Balkan states as well as for the attitude of the Turkish ethnic group in Macedonia concerning the institutions of the Macedonian state.

Nevertheless, during that period of Macedonian history, a period crowded with contradictions and threats to its sovereignty and real problems caused by the dramatic collapse of the Yugoslav Federation, of which the Republic of Macedonia was an equal constituent member, some puzzling claims were voiced by the Turkish ethnic community. One of them pertained to the influence that this community exerted on a certain share of Macedonians of Muslim religion, who demanded that children in grammar schools be instructed in the Turkish language. In this case it is not a question, generally speaking, of ethnic feelings or the freedom of ethnic determination of these citizens. Naturally, within the framework of the constitutional-legal guarantees, such citizens can freely call themselves as they wish, such as Turks, although on the basis of all possible scientific, historical, and ethnographic criteria, they are Macedonians. However, to manipulate the parents of children of school age and the children themselves as to the basis on which they would demand their primary education to be provided in a language foreign to them is something which, to the best of my knowledge, is unheard of in the history of modern civilization. It would be the equivalent of a village, in Turkey for instance, where people would demand that children attend grammar school in the German language, for later this language would be of great use to the children. Even such a demand would be slightly more logical, for there are several million Turks living and working in Germany.

The appearance of the "Serbian problem" in Macedonia appears in the same context. It seemed that during the "communist" period the Serbian-Macedonian relations had reached a historical level that made a normal discussion of all past demands possible: The Serbian aspirations concerning the Macedonian national space have already been rejected by history, and now one could discuss some truly real problems existing between two neighboring countries. There can always be old unresolved issues and the possibility that new issues would arise. Perhaps all the more so since for more than 70 years Macedonians in the Republic of Macedonia have lived together with Serbs within a single state (the kingdom of Yugoslavia, and the Federal Republic of Yugoslavia). It is unquestionable that the breakdown of the commonwealth has created problems that the two countries—the Republic of Macedonia and the Federal

Republic of Yugoslavia—whether they wanted it or not, could be resolved in a way which would set an example for our time, i.e., democratically.

It would have been logical for the discussion of such issues to start on the basis of the level of relations already reached between these two states (two nations), within the framework of their then-existing single state, particularly in the period after World War II, when these states entered into a state-legal union in which they existed for 45-50 years. That level of relations was based on the following several historical prerequisites:

1. Joint struggle against fascist occupation in 1941-45. Several Serbian units of the NOV [National Liberation Army] operated on Macedonian territory, together with Macedonian fighters—partisans—objectively helping the NOD [National Liberation Movement] of Macedonia and contributing to the national liberation of the Macedonian people. However, it would be erroneous to believe that those Serbian units were absolutely necessary for Macedonian national liberation. In World War II, these units operated on Macedonian territory because here conditions for their struggle were better, compared at that time to those on the territory of southern Serbia (Kosovo and Pomoravje). We know that the 15th Corps of the Macedonian NOV participated in the breakthrough on the Srema front, as a result of which Macedonia became totally purged from all occupation forces.

2. The Serbian ruling political circles (in that case the Serbian Communist Party) were among the first in the Balkans to accept the reality of Macedonian national individuality and, in that sense, they were "cosigners" in the establishment of the borders between Serbia and Macedonia that, to a greater or lesser extent, are consistent with the actual ethnic situation.

3. In 70 years or more, innumerable ties have been established between the Serbian and Macedonian peoples in all areas and of all kinds, affecting the interests of virtually every single individual. These three elements alone, I believe, suffice to prove the strength of the positive energy which had accumulated in the Macedonian-Serbian relations at the time that the single state broke down.

It may not be all that illogical or unnatural for the simultaneous appearance in both countries of "radicals," ready within a short period of time to bring down the structure of Serbian-Macedonian relations that took an almost entire century to develop: In Macedonia, for example, some political groups have called for the ethnic cleansing of all public media and for throwing out of the RTVM [Macedonian Radio and Television] anyone whose last name would end in "ic," while Serbian radicals have thunderously threatened to wipe Macedonia off the geopolitical map of the Balkans within a single day and to add it to "mother Serbia," and that Serbia directly borders its traditional friendly neighbor—the Republic of Greece, and so on. Let us not mention the incidents at the Sveti Prohor Pejnski Monastery. However, the Macedonian political and general public and, we believe, the Serbian public as well, would be truly shocked if the official Serbian policy would come out claiming that 300,000 (!) Serbs in Macedonia are without rights, and even more so when it realizes that the secret talks between Milosevic and Mitsotakis on Macedonia would practically throw the Macedonian issue of today, 1992, back to the 1912 or 1918 level. The Macedonian public, naturally, would not welcome with a great deal of enthusiasm the "good offices" of Mr. Dobrica Cosic, who called on the Macedonians and Greeks to agree on accepting the name Slavic, based on numerous historical events which have occurred since the Slavs arrived in the Balkans. Furthermore, greater convergence-unifying interests would exist in this case compared to imposing on the Greeks, who are a close and neighboring nation of the Macedonians, any kind of criteria concerning their friends.

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